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Globalization on Trial: Crisis and Class Struggle in East Asia
David McNally

A Report from Minsk
Valentin Maslyukov

Keeping the Faith: The U.S. Left 1968-1998
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Books

The Color of Politics
Aaron Brenner

The Politics of Class War From Above
Fred Block

1949-1999 50 YEARS

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NOTES FROM THE EDITORS

The left has more than once heard calls for a "third way". In decades gone by, people talked about a "third way" between Communism and capitalism, which was social democracy. Now that both the Communism of that period and the social democratic alternative have both more or less died, we're beginning to hear about a new "third way". The main exponent of this new alternative is the British Prime Minister, Tony Blair. But there's talk of a "third way" partnership between Blair and Clinton, or even a troika with the man who may become the next Chancellor of Germany, the German Social-Democratic Party's Gerhard Schroder.

MR readers know all about Clinton's third way. The best that can be said about it is that it's completely empty of principle—which is a generous assessment of a program that reproduces the essential principles of right-wing neoliberalism. But since one of us has been in London

(Continued on inside back cover)

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GLOBALIZATION ON TRIAL: CRISIS AND CLASS STRUGGLE IN EAST ASIA

by DAVID McNALLY

Can someone find me an economist who knows what's going on?

—*Ali Atlas, Indonesia's foreign minister*

What a difference a year makes. As recently as last summer, economic pundits and global investors were singing the praises of the "Asian tigers." The World Bank basked in the glow of its 1993 report, *The Asian Miracle.* Throughout ruling circles, the "Asian model" was touted as proof that open markets and the free flow of capital would be the salvation of humankind.

Today, more than a year into the region's devastating economic crisis, the World Bank is preparing a new report. *Rethinking Asia's Miracle* it is to be called. Small wonder some rethinking is in order. Every day, 10,000 South Korean workers receive layoff notices—300,000 per month. The Indonesian economy is in a state of near-total collapse, merely 22 of the 282 companies on the Jakarta stock exchange still viable. Japan is mired in its deepest recession in twenty-five years. Malaysia and Thailand remain in financial shock. Overall, more than $600 billion has been wiped off the balance sheets of the region's stock markets. With national budgets and public policy increasingly dictated by the International Monetary Fund (IMF), East Asia's increased integration into the world market now looks like the route to a new form of dependency.

David McNally teaches political science at York University, Toronto, and is author of *Against the Market: Political Economy, Market Socialism and the Marxist Critique* (1993).

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The hype about "globalization" that has dominated economic analysis even on much of the left now stands severely shaken. True, capital's relentless drive to restructure—downsizing and "leaning" of production, outsourcing, casualization of much work, the creation of new capital markets, establishment of new trade and investment pacts—has reshaped the terrain of struggle and resistance. But rather than altering capital's essential dynamics and contradictions, the crisis in Asia reveals just how explosive those contradictions can be. In fact, the Asian crisis tells us much about two fundamental contradictions of capitalism in the age of "globalization." First, it reveals the severe problem of overaccumulation and overcapacity that plagues globalizing capital today. And, secondly, it illustrates how accelerated capital accumulation can give rise to powerful new working classes capable of fighting back against capital's dictates.

Globalization on Trial

If any region is a test case for establishment claims about globalization it is East Asia and its newly industrializing countries—South Korea, Thailand, Indonesia, Malaysia, and Taiwan in particular. Look at much of the world and claims for economic globalization seem laughable. After all, despite all the hype about globally-mobile capital, international capital continues to concentrate production and trade in the industrially developed nations. With a few exceptions, only parts of Asia have been more systematically incorporated into the global circuits of capital. Between 1980 and 1991, for instance, the share of world trade for which Asia (excluding Japan) accounted rose from 9 to 15 percent while the developed nations' share slipped from 72 to 63 percent. But the rest of the world economy—the "less developed countries" of Africa, Latin America, and the Caribbean in particular—experienced a catastrophic drop from 28 to 13 percent of international trade (United Nations, *World Economic Survey*, 1993). By 1994 East Asia was the destination of more than half of all investment flows to developing countries.

Take Asia away, therefore, and there was no globalization thesis; it was the sole success story. And East Asia's crisis now puts that at risk. More than that, events in Asia pose a serious threat to the world capitalist economy as a whole, "the biggest

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threat to global prosperity" since the 1970s as *Business Week* puts it (January 26, 1998).

Contrary to the facile descriptions of the business press, however, the collapse in East Asia is not fundamentally about corruption, crony capitalism, or overly regulated markets. Rather, it is about the classic problem of capitalist overaccumulation (and the profit squeeze that accompanies it). The enormous capital flows into Southeast Asia in recent years have contributed to a huge build-up in productive capacity, much of which cannot be profitably utilized. Capitalist development of the forces of production, in other words, is running up against its inherent limits. Yet, as market competition has intensified, corporations have responded by adding even more new capacity—new factories, mines, mills, and mega-farms, new infrastructure and service industries.

Adding new capacity at a time of general overcapacity may seem irrational—and for the system as a whole it is. But for the individual capitalist firm caught in the logic of market competition it is the only rational course. The objective, after all, is to insure that someone else fails in the scramble for market share. The survivors are likely to be those with the right combination of lean production, new technology, labor discipline, relatively low wages, and ready market access. So new capacity is added to achieve these, to construct the most efficient capitalist enterprises, despite the problem of overaccumulation as a whole.

In many cases, Asia has been the testing ground for much of the latest wave of capital accumulation. Auto, steel, electronics, computer chip, and fiber optics plants have been built pell-mell in the expectation that cheap labor, easy financing, and business-friendly governments with draconian labor regulations would guarantee good rates of return. Once the boom reached its limits, the results were predictable: enormous excess capacity and serious problems of profitability.

Take the case of the world automobile industry. Global excess capacity in autos today is around 21-22 million cars. That's roughly a 36 percent overcapacity relative to world markets, the equivalent of 80 efficient state-of-the-art plants. Yet, despite those realities—indeed, in capitalist logic, because of them—auto companies have been frantically building new capacity throughout Asia. Before the crisis broke, in fact, automobile firms planned investment projects that would see a

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doubling of Asian car manufacturing capacity outside of Korea and Japan, which are already staggering under excess capacity.

Similar problems of overaccumulation—of the creation of productive forces that cannot be utilized profitably—plague industries such as computer chips, semi-conductors, optical fibers, chemicals, and steel. The world market in dynamic random-access memory chips (DRAMs) is another case in point. Analysts estimate that the oversupply of DRAMs will be 18 percent this year, compared with zero as recently as 1995. The result has been a devastating collapse in prices (especially damaging for South Korea, which controls 40 percent of the global DRAM market). Prices of 64-megabit DRAMs plummeted from $60 in early 1997 to $20 by the end of the year. This year, prices have fallen as low as eight dollars (*Wall Street Journal*, June 4, 1998). The root cause of the Asian economic crisis is this sort of downward pressure on prices and profits brought on by overproduction. That's why, sensing that an adequate return on further investment in these sectors was improbable, some investors got cold feet. They began to hedge their bets by reducing Asian holdings. Slowly but surely, plugs were pulled in precisely those areas, like East Asia, where hectic accumulation, exacerbated by huge inflows of speculative capital, had been the order of the day. "Market forces" responded, in other words, to real problems of overaccumulation of capital. *Rather than the result of inadequate marketization of society, then, the Asian crisis is all about the contradictions inherent in the capitalist market. It is, in short, a product of capitalist globalization, of the extension and intensification of capitalist contradictions on a world scale.*

All of this has been exacerbated further by flows of short-term financial capital. For while Latin American markets remained shaky, as Japan's stock and real estate markets were melting down, international banks and lending agencies saw great profits to be made in East Asia. They saw factories going up, new technologies being brought on stream, explosive growth of highways, airports, telecommunication systems, and luxury hotels—and they wanted in on the boom. As financial capital poured into the region, making it relatively cheap and easy to raise funds, manufacturing and construction firms kept bringing new projects on line. East Asia's economic upswing

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thus acquired all the classic characteristics of a speculative boom. As each new mega-project was announced to euphoric prediction, the bubble grew larger.

Inevitably, some investors bet against the euphoria. They recognized that too many factories, agri-businesses, mines, hotels, and highways were being built in a context of world overcapacity. Quietly at first, they withdrew from new investment projects in Asia. They pulled cash out of stock markets; they dumped Asian currencies. Once kick-started, the process snowballed. Whereas private capital flows into Indonesia, Malaysia, the Philippines, South Korea, and Thailand had nearly quintupled between 1990 and 1996, soaring from $20 billion to $95 billion per year, those countries experienced in 1997 a net *outflow* of private capital to the tune of $20 billion. The crash was on, beginning with the run against the Thai baht last summer.

Suddenly, the business community discovered that East Asian debt—the very debt created by the offerings of global capital—was a festering problem. Only last summer, even after the collapse of the baht was underway, economists at the World Bank, the IMF, and a number of foreign banks all proclaimed the fundamental soundness of the Indonesian economy. No Thai-type problems were to be expected there. A few months later the capital flight began and the world market pronounced its verdict on the country's $80 billion foreign debt. So severe has the flight been that the devaluation imposed by global capital has now moved things to the edge of catastrophe, pushing the ratio of foreign bank debt to gross domestic product from 35 percent to 140 percent (*Economist*, March 7, 1998).

All eyes turned next to South Korea. East Asia's major industrial power outside of Japan now appeared terribly vulnerable, especially in light of the long downward slide in the value of the Japanese yen brought on by Japan's crisis. Since South Korea competes directly with Japan in industries like autos, steel, and electronics, it has much to fear from the declining prices for Japanese exports that a lower yen creates. South Korea thus found itself in a conundrum: despite booming export growth, its export revenues stagnated as a result of downward pressure on prices. In 1996-97, for instance, South Korean exports rose by 37 percent while export revenues crept up a

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mere 5 percent. But such meager increases were not adequate to finance the borrowing Korean businesses had done to build and retool factories. By the end of 1996, the top thirty chaebol—the industrial conglomerates that dominate the economy—had an average debt to equity ratio of 400 percent. As the crisis hit and exports and earnings slumped, prospects for financing those debts dimmed. More than one-quarter of the chaebol have now collapsed, including the automotive conglomerate Kia and the Halla Group, involved in ship-building, engineering and auto parts.

Meanwhile, the crisis in East Asia fed back into Japan where it had started. The Japanese slump began in the early 1990s with huge collapses in stock and real estate markets. After contracting about one percent in 1997, Japanese output slumped a staggering 5.3 percent in the first quarter of this year. Corporate profits and capital investment are down, business bankruptcies are soaring, and consumer spending is in a deep funk. Department store sales are falling at a rate of about 15 percent each month. Meanwhile, bad loans held by Japanese banks exceed $1 trillion and corporate debt averages four times equity, compared with 1.5 times in the United States (*Business Week*, May 18, 1998). All of this despite an injection of $1 trillion in government spending over the past six years to kick-start the economy. So pessimistic has much business opinion toward Japan turned that Paul Summerville, chief economist at RBC Dominion Securities, predicts (as he has since 1992) that Japan's slump will last fifteen years. Needless to say, that is more bad news for the "Asian tigers" for whom exports to Japan and local Japanese investments have been crucial. And it is one reason the crisis is unlikely to end any time soon.[1]

Across the region, a wave of stock market crashes, plant closings, mass layoffs, government cuts, and currency depreciations are wreaking havoc on the lives of millions. Massive capital investment and accumulation are colliding with the logic of production for profit. As a result, East Asia is now in the grips of "an epidemic that, in all earlier epochs, would have seemed an absurdity—the epidemic of overproduction."[2] That epidemic is now imposing untold hardship—and producing resistance and revolt.

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Working People and the Natural Environment: Some Dimensions of the Crisis

More than five million Indonesian workers have been laid off since July of last year. The country's jobless number is likely to hit twenty million by the end of 1998, by which time nearly three million will be unemployed in Thailand, almost two million in South Korea, and a million in Malaysia alongside 1.5 million migrant laborers facing expulsion.

In concert with the layoffs goes the destruction of living standards. Between August and December of last year, average incomes were halved in South Korea. That pales beside what's happened in Indonesia where the annual per capita income has plummeted from $1200 to $300. In Surabaya, the country's largest industrial city, the daily minimum wage has collapsed to less than thirty cents from two dollars a year ago. And this at a time when, as a result of the dictates of the IMF, food and fuel subsidies are being eliminated and prices are soaring. By year's end the number of people living below the poverty line will double to 58 million. And Indonesia is by no means alone. In Thailand, prices of rice and flour jumped 47 percent in February, spelling a calamity for the poor. More than simply shifts in trade and investment figures, the economic crisis in East Asia is fundamentally about soaring poverty, unemployment, malnutrition, and rates of disease. Relief workers in Indonesia report that many mothers, no longer able to afford milk which has tripled in price, are feeding their babies with tea. Rates of malnutrition and school dropouts are soaring. Young women have been particularly hard hit, as factories and stores close and girls are pulled out of schools. In Thailand, the crisis means that thousands more rural families will feel the pressure to sell their daughters into prostitution in Bangkok where, some experts suggest, as many as one million young women work in the sex trade, many of them susceptible to an AIDS crisis the government largely denies.

Devastation of the natural environment massively compounds the suffering. Frantic industrialization and grandiose mega-projects have already inflicted staggering environmental damage. The Asian Development Bank in Manila describes the continent as the "most polluted and environmentally degraded" in the world. Asia's rivers contain an average of twenty

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times more lead than do those in the West. The human toll is immense. According to the World Health Organization, more than 1.5 million lives are lost every year as a result of Asia's air pollution. Another 500,000 lives are claimed by untreated water and poor sanitation. The economic crisis will lead to further environmental degradation as companies, desperate to stay alive, reduce costs and cut corners on safety and pollution control. Recent events in Indonesia are a dire warning of what may be in store.

In sheer scale, commercial logging eclipses all other industrial undertakings in Indonesia which is home to 10 percent of the world's tropical rainforests. About sixty million people live and work in these forests, a third or more of them practicing slash-and-burn farming which has been sustainable for thousands of years. Yet millions of these people are being displaced by commercial logging, mining and the like. One third of the country's land mass—roughly sixty-four million hectares—is occupied by logging companies which routinely set forests ablaze as part of their logging and planting operations. The privatization and destruction of lands and forests has caused massive displacement of people. During the 1970s, for instance, more than 2.5 million indigenous peoples across Kalimantan were displaced. By the mid-1980s perhaps ten million people were "resettled" from Java to other islands. Last summer almost two million hectares were set afire in the lowland tropical rain-forests of Sumatra and Kalimantan. The results have been devastating: global warming, weather changes, adverse affects on coffee, cocoa farming, and the fishing industry. Up to seventy million people in Indonesia, Singapore, southern Thailand, Brunei, Malaysia and the southern Philippines have been affected and thousands have sought treatment for respiratory problems, asthma, and skin and eye irritations.[3]

Also devastating has been the impact of mega-mining projects, none more so than the copper and gold mines run by New Orleans-based Freeport McMoRan. The company, which has been charged with abduction, torture, and murder of indigenous peoples, operates the richest mine in the world in West Papua. The corporation extracts vast amounts of ore from Puncuk Jaya Mountain and the tailings have poisoned the Ajkwa River, killing fish and forests. The company now plans to double the output of the mine, something we are likely to see more of

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as debt-strapped governments sell off natural resources to raise cash for the IMF and global investors.[4]

Intensified destruction of the natural environment is a direct consequence of the intensification of market imperatives throughout East Asia. Industrial overaccumulation alongside the gyrations of financial capital have led to classic capitalist assaults on working people and the environment, "simultaneously undermining the original sources of all wealth—the soil and the worker," as Marx puts it.[5]

Resistance and Revolt: Asia's New Workers' Movements

Yet none of this is happening without resistance. The period of the last fifteen to twenty years, the area of the celebrated "Asian miracle," has seen enormous growth in the size of the employed working-class and major progress in working class self-organization and struggle across the region. Throughout the economic South, or the so-called "developing world," the number of industrial workers alone increased from about 285 million in 1980 to over 400 million by 1994, much of this growth concentrated in Asia. Moreover, during this period women in East Asia entered the paid workforce in huge numbers. Today, women constitute 42 percent of all wage-laborers in the region and often an overwhelming majority in key industries like garments, electrical goods, and electronics. On top of this, the late 1980s saw widespread growth in union organization. During the years 1987 to 1989, for example, the number of organized workers increased by 27 percent in Bangladesh, 38 percent in the Philippines and fully 100 percent in South Korea. Over the years 1986 to 1989 the number increased more than 50 percent in Taiwan.[6]

But it's not just numbers that matter here. The working class throughout East Asia has also developed forms of militancy and self-organization that often put western labor movements to shame. Frequently, young women have been in the forefront of these struggles. And in many cases, these movements have involved new, independent unions and labor federations which reject the collaborationism of the older, state-tolerated and state-regulated unions. In Taiwan, a new federation of independent unions emerged in 1988, while another was formed in South Korea in 1995. Meanwhile, unions like the National Garment Workers Union in Bangladesh and the Center for

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Indonesian Labor Struggle, an illegal workers' organization, have spearheaded major battles in those nations.

Indonesia is clearly a crucial case, given the growth of political dissent which brought on the student-led uprising that toppled dictator Suharto (who came to power in 1965 in a bloody coup during which at least half a million leftists were murdered). A crucial role in the street-level mobilizations that toppled Suharto was played by the banned People's Democratic Party (PRD) and its student allies in the Students in Solidarity for Democracy in Indonesia (SSDI). Significantly, the PRD, whose supporters are young radical democrats, champions the independence of East Timor, invaded by Suharto (with U.S. support) in 1975. And during the uprising against Suharto, the PRD distinguished itself by arguing against attacks on "our Chinese sisters and brothers" as tactics which "will only weaken our struggle and benefit Suharto" (PRD Statement, May 14, 1998). Radically democratic perspectives such as these galvanized a movement whose courage was truly inspiring, as students waged months of daily protests, including hunger strikes, demonstrations, and occupations of government buildings in the face of club-wielding police and tear gas-firing soldiers who turned to bullets (and killed a number of students) during Suharto's last days.

But what most commentators on the Indonesian events missed was the emergence in recent years, alongside this youth- and campus-based opposition, of a small but militant workers' movement. In July of 1995, for instance, the banned Indonesian Center for Labor Struggle (PBBI), which has ties to the PRD, led a 13,000-strong strike of garment workers in Bogor. Last July, the union launched a strike and community protest movement of 20,000 in Surabaya. Then, last October, when the economic crisis led to rumors of IMF-dictated layoffs, the PBBI organized a strike of 16,000 workers at the state aircraft company in Bandung.

These may seem like small accomplishments. But in the context of police and military repression the militant determination of Indonesian workers is nothing short of inspiring. And in the aftermath of the popular movement that toppled Suharto, workers' organizations are becoming more confident and self-assertive. During the struggle against Suharto, workers and the urban poor joined students on the streets on many occasions. On May 3, for example, 300 factory workers from

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Tangerang in East Jakarta responded to a student invitation to demonstrate against the regime. Moreover, the post-Suharto government's decision to free jailed union leader Muchtar Pakpahan has not quelled workers' protests. Workers at Garuda Airlines in Jakarta have taken strike action, as have 50,000 workers at Maspion Corporation in Surabaya. In fact, the strikers at Maspion organized the biggest protest since the fall of Suharto when, on June 8, more than 10,000 workers rallied and clashed with police in Surabaya. At the same time, transport workers in Jakarta struck the Public Transport Authority (PPD) and shut down seventy-three bus lines. At the height of their strike more than 9,000 workers demonstrated outside the PPD offices. Actions such as these raise hopes that the radical opposition among the young will take on an increasingly class character as workers' organizations come to the fore in the fight against poverty, layoffs, and the dictates of the IMF. Nowhere is that prospect greater, perhaps, than in South Korea.

Beginning in the late 1980s, a tremendous working-class upheaval swept South Korea. Between 1986 and 1990 union membership doubled from one to two million in the course of a huge strike wave. That classic weapon of militant working-class struggle—the sit-down strike—became increasingly common. In the industrial cities of Masan and Changwon a virtual workers' revolt took place in 1987-88 when company assaults on a group of women strikers provoked an outpouring of solidarity strikes and the joining together of thirty new independent unions. So impressive was the solidarity and so widespread the militancy that radical workers described Masan-Chawong at the time as a "liberated zone." Then, after formation of the (illegal) Korean Confederation of Trade Unions (KCTU) in November 1995 with over half a million members, came the largest-ever mass strikes. The first round came in December 1996. That was followed, in January 1997, by a month of mass strikes involving 630,000 workers protesting new labor law restrictions and legislative changes that would make mass layoffs possible. In a mere decade, the South Korean working class had built one of the most combative union movements in the world. That movement is now being severely tested as a result of the current economic crisis.

The biggest challenge came when, as a condition of its $57 billion aid package, the IMF insisted that the South Korean government implement mass layoffs. Given that this question

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had prompted general strikes a year earlier, the state convened a tripartite commission of business, government, and labor leaders to negotiate an agreement. Representatives of the KCTU were invited, along with those of the more moderate Federation of Korean Trade Unions. On February 6 of this year, much to the dismay of many union activists, the leaders of the KCTU signed an accord which, in exchange for modest concessions, accepted mass layoffs and all the basic terms of the IMF bail-out. Within days, hundreds of angry KCTU delegates rebelled, voting down the agreement, removing the leaders who had signed the deal, and setting the date for a nationwide general strike. Only a few days later, however, the strike call was reversed as militants realized they did not have adequate support for the action.

Worker militants in South Korea now confront a dilemma. The scale of the economic crisis has shocked most Koreans. National pride has been deeply offended by the image of the IMF dictating national policy. Hundreds of thousands have responded to government calls for people to donate gold or U.S. dollars to state reserves. Incidents of people attacking foreign-made cars are frequent. In the midst of this patriotic upsurge, KCTU activists have found it difficult to mobilize against the South Korean state and ruling class. Yet, that is precisely the task confronting the radical workers' movement: to develop a political program of action that targets international capital (and its agencies, like the IMF) *and* the Korean ruling class. To the traditional patriotism invoked by the Korean government, the radicals need to counterpose an anti-imperialism which is working class in character, one which calls for socialization of the economy and workers' control of industry.

That will require the development of independent working class politics alongside the new labor movement. There is no easy road to that goal. Prospects for mass resistance are made difficult as layoffs and economic collapse demoralize workers and grind down their confidence to fight back. Trying to raise the political horizons of struggle—to forge a class-based political opposition to the IMF and the local ruling class—is a daunting task under such circumstances. But a decade of struggle has created a militant and combative workers' movement with tens of thousands of dedicated union activists. And in the context of layoffs, economic crisis, and continued

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agitation for mass action by thousands of KCTU militants, there are real prospects for building working-class resistance. In fact, after stumbling in the early winter, unions are recovering their capacity to fight back. On May 27-28, about 120,000 workers in the KCTU participated in strike action against layoffs. Further mass strikes are now being planned. And on the heels of that mass strike, workers at Kia Motors forced concessions from management after waging a three-week series of strikes against wage cuts. Whatever the short-term outcome of the current struggles, a militant working-class leadership is being forged in the heat of struggle against economic crisis and IMF austerity.

An Asian Model of Resistance?

The working-class and the poor throughout East Asia now find themselves locked in a ferocious battle with international capital. Economic and political struggles of immense importance—food riots, student demonstrations for democracy, workers' strikes against layoffs—are widespread. These struggles will not be easy ones. But in the crucible of the decaying "Asian miracle," forces of resistance are being constituted. The next few years will show if they are able to mount a major battle against the ravages of globalizing capital.

Already, however, the tremendous militancy and self-organization of East Asian workers ought to command respect. Strikes by young women in garment factories in Bogor and electronics plants in Kuala Lumpur, by aircraft workers in Bandung against IMF-directed layoffs, mass demonstrations by tens of thousands of workers in Surabaya, and weeks of strikes by workers at Kia in South Korea are all signs of working-class resistance to downsizing, austerity, privatization, unemployment, and poverty. East Asia has become the focal-point of the international class struggle. Out of these struggles a new "Asian model" may emerge—a model of working-class resistance to capitalist globalization. We have much to learn from these struggles. And we owe them our solidarity and support.

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NOTES

1. It is outside the bounds of this article to explore the unique dynamics of developments in China. Recent announcements of dramatic falls in China's growth rate and the layoff of millions more public employees, as tens of thousands of state enterprises close, suggest that major problems are in store, problems which will have reverberations throughout the region and the world economy as a whole.
2. Karl Marx and Friedrich Engels, *The Communist Manifesto* (p. 73)
3. Dianne Feeley, "Who Set the Fires?" *Against the Current* 72 (January-February, 1998), p. 17; and Curtis Runyan, "Indonesia's Discontent," *World Watch*, May-June 1998, pp. 12-23.
4. Information on Freeport McMoRan comes from Runyan.
5. Karl Marx, *Capital*, v. 1, trans. Ben Fowkes (Harmondsworth: Penguin Books, 1976), p. 638.
6. Much of the data in this paragraph, and much of what follows on South Korean labor, is indebted to Kim Moody, *Workers in a Lean World* (London: Verso, 1997), p. 202. In addition to Moody's important book, useful sources are Jeremy Seabrook, *In the Cities of the South* (London: Verso, 1993) and Stephen Frenkel, ed., *Organized Workers in the Asia-Pacific Region* (Ithaca: ILR Press, 1993).

(Continued from inside back cover)

The real result, though, may be the opposite—in ways that people in the United States will find all too familiar: not only will the projects be more expensive, partly because private investors have to borrow money at commercial rates, but, of course, services will suffer in order to provide the massive profits such investors demand. A journalist in the British paper, the *Guardian*, in an article called "Cuckoos in our NHS" (July 16, 1998), reports that in one health district the result of the PFI will be a loss of nearly 1000 doctors, nurses, and clerical staff, or 20 per cent of its workforce, and by 2003, acute-care beds in that district will be 45 per cent fewer than in 1989. The results in other parts of the service will be comparable or worse, more than wiping out the apparent gains offered by the government.

The NHS is one of the best things, if not *the* best, that the welfare state has managed to produce—unlike anything in the United States. What's happening to it now is a perfect example of how vulnerable such institutions are in a capitalist system, where all social goods are inevitably subordinated to private profit. In the long run, there's really no reliable and stable way of humanizing capitalism, so there's really no alternative to socialism. But in the meantime, there has to be constant and militant struggle to achieve and preserve whatever social goods the capitalist system does allow.

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A REPORT FROM MINSK

by VALENTIN MASLYUKOV

In Minsk, in the summer of 1992, I spoke to a militia officer (our term for the local police) who worked at the department responsible for the fight against organized crime. As a writer I was particularly interested in the activities (and thought patterns and language) of the newly emerging private business. The officers of the department were well informed, and they were in a despondent and confused mood. "I returned recently from the U.S.A., where I spent some time working in an American police department," the chief of the unit told me. "An American policeman explained to me what we here in Belarus should be doing. 'You want to build capitalism,' said he, 'good.' 'But where will your people get money to start a business, or to buy factories from the state? From what you tell me, they cannot obtain money legally. So you, the cops, should close your eyes to crimes that only involve money. Your job now is to see that people don't kill each other in the streets—nothing more. When the ones who have stolen enough money take power they will adopt their own laws. And *then* you can do your best to achieve law and order in the country.'"

The militia officer who told me the story made no comment on it. Although the sentiment had been placed in the mouth of an American policeman, it was clearly far from new even then among the Minsk militia. But I felt an acute helplessness in trying to put this simple and cynical thing into a rational

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explanation. True, we had been unhappy with the ways things were, but did we really want to build capitalism?

Four years later my daughter wrote a school essay on an economic theme. She wrote that capitalist reforms had resulted in an economic disaster. The teacher, in correcting mistakes, underlined the word "capitalism" every time it appeared. The teacher had no objection to the description of the results of the process as a disaster; it was obvious to everybody. On the other hand he didn't object to the word reform, something had obviously changed in the society and the word "reform" was the polite approved usage despite the evident contradiction. But he completely rejected the word "capitalism." Why? There was no explanation. Maybe he thought the word "capitalist" was an invention of an old Soviet fairy tale, and like the word "magical" did not refer to something that existed. Or perhaps he thought that it was impious to use the word capitalism in close proximity to the word disaster? Surely, it wasn't that he thought the "reforms" were socialist?

It seems that the only thing that is now clear to everybody in the general muddle of ideas is the reality of the economic disaster, but the voices of the people on the Soros payroll telling us that it is the result of *not enough* capitalism have persuaded no one except those who want to get on the payroll. This is a great strength in Belarus in the midst of a dreadful situation: a widespread refusal to disbelieve the evidence of the superiority of socialism we once tried to create, despite the horrible local and Russian television, despite the never-ending Western propaganda, and despite our nimble, if vulgar, opportunist president, Alexander Lukashenko.

I

Belarus is one of the republics of the former Soviet Union and has a population of about ten million people. Before the Soviet revolution of 1917, Belarus was among the poorest and most depressed regions of the European part of the Russian Tsarist Empire, and therefore of Europe. There was practically no industry, little agricultural improvement of the kind that had already been long achieved in western Europe, and crop harvests were unimaginably low. Eighty-two percent of the population was illiterate.

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Development began quickly under the Soviet republic, and much had been accomplished even before the Second World War. Most people were either brand new city dwellers and discovering schools, movies, theaters, and our first clumsy and crude attempts at Socialist public culture, or lived in villages where some visible improvements such as schools, medicine, and the occasional tractor had appeared. When in 1939 the western part of Belarus, which had been part of Pilsudski Poland, was united with the Soviet republic, there was no question but that the villages of the eastern Soviet sector were the more prosperous and advanced.

The great trauma of Belarus was not collectivization or purge trials but the Nazi invasion and the Second World War. Whole cities, towns, villages, and industrial enterprises were turned into smoking rubble. An unspeakable nightmare of torture and massacre began first against the many Belarussians of Jewish descent, who occupied not only a leading place among the intelligentsia but also among the industrial working class and (despite the stereotype), in many parts of Belarus, an important role in agriculture. No substantial village in Belarus escaped the sight of the fascists hunting and killing children, first the Jews but quickly enough their neighbors as well. In our still extensive woods a remnant of the brave youth, of all ethnic groups in Belarus, gathered to fight the partisan war. By the time the Nazis were driven out in the second half of 1944, one quarter of the population had been killed, and in most of the republic, every substantial building destroyed.

Within one generation's lifetime, from 1945 till the end of the 1980s, Belarus became a developed country with a major part of the Soviet computer industry, an advanced science and space/military industry, and a diversified consumer industry from televisions to toys, with (as a result of the disaster of the war) relatively modern plants. The greatest achievement was in agriculture. In the period of the last Soviet *pyatiletka* (1985-1990), Belarus agricultural productivity had developed at the highest rate in the world. Our collective farmers worked more productively, by any measure, than the farmers of the countries of the European Union. The miracle had a simple explanation: the advantages of large collective farms.

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II

By 1994 the gross agricultural product had decreased by one third. That year one grain harvester combine and fifteen tractors were purchased in the whole republic, in comparison with the end of the 1980s when collective farms bought 10,000 new tractors annually. The lack of fertilizers cut yields. But nevertheless, the sick Belarussian village is still an object of envy in the villages of its neighbors—the economic situation in rural Lithuania, Russia, and Ukraine is worse than ours. Collective farming has been preserved due to a firm (if passive) resistance not only from the collective farmers themselves, but from every sector of our society. Yet the overall economic situation is grim. The decline has been arrested, but even the most optimistic projections only predict reaching 1990 levels in 2010. The science of which we were so rightly proud is steadily being destroyed; thousands of capable scientists emigrated in the search for a better life, and the rest live on the brink of poverty, exploiting only their enthusiasm. Young people cease to study science as employment prospects disappear. The industrial shops are at best on part-time production and not infrequently locked, the equipment rapidly becoming out of date. The general decay is marked by a severe decrease in investment in industry, particularly in engineering and high technology. Each year the republic eats out a slice of the national wealth created in the Soviet period, and takes no steps to replace it. There is a deficit in the foreign trade balance and debts are starting to accumulate, especially to Russia. Ordinary people can hardly make ends meet. The median wage (which, unlike Russia or the Ukraine, is not in arrears) in the republic at the end of 1997 was barely over subsistence levels, and the median pension was well below.

Nobody wanted such a life. But what did people want, what was the beginning? "The more democracy—the more socialism!" was the enthusiastic slogan at the beginning of Gorbachev's "perestroika." Looking back, the socialist noises were part of a masquerade of ideas (to use a phrase of Karl Marx); it was social regress masquerading as "reform." Counter-revolution and social regress will not be advocated openly by those who seek to benefit by them, not even to themselves; and now we can all see that under the mask "open society" lay the

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plunder of billions of dollars at a speculative shot, starving pensioners, tuberculosis epidemics, and death.

Revolution clarifies the consciousness, the counter-revolution darkens it. Looking back, it is obvious that a cloud of obscurantist confusion descended when the Soviet media came under the control of Gorbachev's close adviser, the sinister Alexander Yakovlev (now widely believed to be a CIA "asset"), in the late 1980s. There seemed to be a general attack on reason and logical thinking. The mass media were filled with mystics, occultism, magicians, and wizards. Charlatans and quacks masqueraded as prominent scientists, and some of the latter, in turn, tried to play the role of magicians, announcing discoveries and mysteries well-known 150 years ago. The coup of 1991 hit book publishing a blow from which it never recovered, and what remained of rational intelligence on TV disappeared, with the void filled by low-rate entertainment nonsense. The individual and society in general were converted into drugged somnambulists, while thefts of epic proportion took place and the weak and old fell into unimagined misery. Reason and language were turned upside down as the "democrats" began to exercise their control of the mass media. Revolution in the former USSR now requires a clarification of the simplest things, a preliminary clearing out of the most primitive concepts.

III

Let's examine from this point of view the personal history of the first Belarussian president, Alexander Lukashenko, and the political system established by him in the republic. A young director of a state collective farm, Lukashenko appeared on the political stage in the period of so-called "democracy" cultivated by Gorbachev at the very end of the eighties. This was the time when in all non-Russian Republics of the USSR, "people's fronts" (in Belarus, the BNF) appeared with marvelous simultaneity. They were opposition political organizations different in numerous ways but all based on a nationalist, anti-communist ideology. Much later, information appeared that suggested Yakovlev and Gorbachev had assisted in the creation of all these fronts. In Russia, the first of the avowedly bourgeois parties officially registered was the "Liberal-Democratic Party" of Vladimir Zhirinovsky. Today we have evidence that this party was created with the help of the Committee of State Security on

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direct orders from Gorbachev. In 1991 several platforms (factions with contrary programs) appeared in the Communist Party of the Soviet Union itself. Even these were "guided" in their creation. We all became witnesses to, and subjects of, a unique historical experiment. Gorbachev "shaped" his democracy, imagining that he was moving pawns on a chess board. His democracy and "pluralism" were nothing but the constant balancing between antagonistic political and social forces. He imagined that he could raise up figures on his right as unpalatable alternatives. The unstable alcoholic Yeltsin was scripted in the same role for Gorbachev that Zhirinovsky was later, more successfully, to play for Yeltsin.[1] His brainless logic of balancing was at first just a theoretical toy, but he was led into such labyrinths that by the end he became the toy himself.

In this time of muddled ideas, plots, and indistinct hopes, Lukashenko appeared. He learned quickly. At first he tried being a nationalist. In 1990 he took the floor at the same meeting with the leader of the BNF, Z. Poznyak. He talked of making "the sovereignty of Belarus of constitutional character," a gesture toward the separation of Belarus from the USSR. However, the agreement with the BNF didn't last long—the young politician had a good nose for the moods of the society. As a deputy of the Supreme Soviet of Belarus, Lukashenko faced a crisis when that body was asked to vote on the shameful Belovezhskaya deal of late 1991, in which Yeltsin, the President of the Ukraine, and the Speaker of the Belarus Supreme Soviet met and agreed to demolish the Soviet Union. The name of Lukashenko is listed among those who didn't take part in the vote. The key change in his destiny took place in the succeeding period of overt political reaction in Belarus, when the Soros-funded nationalist "people's front" attained complete control over the mass media and the legislative activity of the Supreme Soviet, and only the executive power partially escaped their hands. The Communist Party of Belarus was outlawed by these "democrats." The Party of Communists of Belarus, the organization the Belarus communists then created more or less underground, was not registered as required by law and worked, in practice, illegally. This was the time of hysteria of anti-communism and nationalism. The representatives of the BNF, headed by Poznyak, enjoyed a spell of unchallenged hegemony in the Supreme Soviet. Lukashenko alone had the courage and

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foresight to oppose them, suddenly awakened to the deep popular revulsion towards those who destroyed the Soviet Union. His colleagues didn't treat him seriously; he seemed to them a kind of a political clown. Lukashenko sensed the underground current building in the society and expressed it in primitive form ("Let me see! One day we'll have a reckoning with those Belovezhisters!"). One more role: a nationalist in 1990; a democrat in 1991, saying in public—"I'm glad that everything is ruined"; in 1992 Lukashenko was the preserver of Soviet achievements, at first hesitantly and then ever more firmly as he saw the public's response.

In 1994 there was the first public election of a president in Belarus. Lukashenko's campaign was marked by two vivid symbols: he declared himself the only man who had voted against the ratification of the Belovezhskaya agreements, and declared himself a warrior against corruption. The revulsion against the BNF nationalists, corruption, and the misery that "free market" policies had produced was enough for an overwhelming victory in the presidential race—more than 80 percent of the vote in the second round. In practice it eventually became clear that Lukashenko's anticorruption pose was as much a stretch of the truth as his claim about his famous but nonexistent vote. Not one from among a list of seventy self-enriching officials, set out in a report on corruption that Lukashenko trumpeted across Belarus, answered for his deeds once he became the president.

This famous report, by the way, was prepared by a special committee of the Supreme Soviet. The job of compiling and writing was done by three volunteers: a politician, a representative of the militia, and a journalist. V. Novikov, the secretary of the Party of Communists, was the politician. Excluded totally from the "democratic" media, with no platform in the Supreme Soviet, leading a more or less illegal party, he used the cooperation Lukashenko offered to express the communist attitude toward the situation in the country. Novikov was the primary author of the report. It was he who made it vivid and forceful. The report was major news, and the Belarussian newspapers could not avoid reproducing it. It made Lukashenko the most popular person in the republic. The report contained everything ... or almost everything that could be said without mentioning such prohibited words as "capitalism" or "socialism." The report stopped just short of conclusions; but nothing else

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could be done, given what was acceptable to Lukashenko. He formulated his position as "I am not with the left and I am not with the right. I am by myself." The old Gorbachev line—the best politics is being in the middle. The communists tried to establish cooperation with this young politician. Novikov discussed with Lukashenko the situation in the republic and tried to show how any struggle against corruption was doomed to failure in a transition from socialism to capitalism, a transition that despite all flowery language cannot be anything but criminal sharing of the loot. Only a change of socio-economic course could stop these destructive processes, a change that came from below, that relied on the cooperative spirit of the workers and the collective farmers as the base on which to resist and later to build.

But Lukashenko had no really "socialist" goals when publicizing this famous report. Yes, he declared socialist values in his speeches and as a reasonable politician, perhaps even a cynical one, wasn't afraid to do so. He sensed the vague and contradictory state of the social mentality at this critical moment. With the drumbeat of procapitalist propaganda never ceasing, antagonistic notions coexisted in most minds. The Soviet "undemocratic" epoch was based on an idea of social justice and social responsibility that most people deeply felt to be "democratic." And they were uneasy at the burial of the principle of fundamental human equality under the new undemocratic consciousness of the "democratic" epoch, whose main feature was possessive individualism and the supposedly unavoidable and eternal triumph of inequality. That's why the campaign of Lukashenko promised at one moment socialism and at another capitalism, terming it "acceleration of reforms."

After his 1994 victory Lukashenko abruptly turned to the right, adopting the "structural adjustment" program of the IMF for Belarus. Prices went up and the standard of living down. Preparations for the "reform" of housing and communal services began. The popularity of the president dropped suddenly. There were two ways out. The first was the Russian way, to ignore the interests of the people entirely, to rely on the thin layer of the criminal bourgeoisie and the purchased intellectuals as the only social prop of the regime. This path, to become a prisoner of the criminal monsters created by one's own policy, was unattractive. The second way was to maneuver to the left in the hope of keeping control over the situation. Lukashenko chose

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the second way. He slowed down the "reforms" demanded by the IMF and in the spring of 1995 started speaking about "market socialism." Of course he never attempted to explain what he meant by "market socialism," a singularly empty phrase. Lukashenko began to repeat the same gestures which had brought him success in the election. Always being above the fight, always maneuvering, and always keeping his goals vague—these were his tactics as a politician. After all, such logic has a history as old as the world itself; it is the logic of every adventurer.

In 1995 Belarus elected its first parliament after the Soviet period. The results divided the legislature into three more or less equal parts. The nationalist BNF was completely repudiated, and didn't manage to win a single seat. The other bourgeois parties had a bit less than a third of the seats. Then there were the "independent" members grouped in the fraction "Agreement"—primarily local bigwigs and notables without a political program of their own, but ready to support Lukashenko (for a reasonable price) in everything. And there was the Party of Communists with nearly a quarter of the seats, and their allies the agrarians; together the left had more than a third of the seats. The block "Agreement" could swing the parliament—either to the left or to the right—when it was convenient for the president. When the communists took an example from their Russian comrades in the State Duma and proposed the formal denunciation of the Belovezhskaya agreements, the fraction "Agreement" (at Lukashenko's directions) joined with the bourgeois parties to defeat the proposal.

But the economic process had its own imperatives, and capitalist social relations spread and grew deeper. Lukashenko's administration began to talk of the state as an eternal harmony of capital and labor, and in ideological nonsense reminiscent of the BNF of a harmony arising (of course) from the national peculiarities of the Belarussian people. Seven plenums of the Central Committee of the PCB proposed cooperation to Lukashenko on the basis of mobilizing opposition to the IMF privatization program and for the defense of what was left of social security, but in vain. The eighth plenum of July, 1996, resolved to make the transition to open opposition.

When Lukashenko's right opponents, the BNF and "democrats," criticized him for the slow pace of "reforms," they called

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him a communist in essence. But Lukashenko before the 1995 legislative elections said that he hoped neither BNF nationalists nor communists would be elected. The communists now openly criticized Lukashenko for the steady and relentless expansion of capitalism. By 1996 illusions and hopes for the curative effect of "reforms" had disappeared. Decay and stagnation were evident to everybody. At last the public received a clear opportunity to compare on the one hand the "red" president who pretends to stand above the class and economic conflict, and on the other the communists, finally and decisively taking the left side, i.e. with the people, against privatization, against capitalist relations of exploitation. The popularity and influence of the PCB rose steadily, Lukashenko counterattacked, and by the fall of 1996 the tension was patent.

Lukashenko's solution was quite simple: a constitutional "reform" by referendum, the end of an elected legislature with a role in government, the right of the president to alter and to adopt laws by means of a simple decree. The authors of this constitution declared their masterwork a bourgeois-democratic constitution. Well, it was really bourgeois, but it contained nothing remotely democratic. In his letter to the chairman of the OSCE (Organization for Security and Cooperation in Europe), Lukashenko revealed his inner purpose to curry favor with the West. He wrote that his constitutional reform was necessary to put an end to all the remnants of the "Soviet system in Belarus." And this was true.

The referendum campaign brought matters to a head. Communists came forward in defense of democracy, and the state mass media strictly controlled by the presidential administration (70-80 percent of the total newspaper circulation, plus TV and radio) unleashed a campaign against the party and its leaders. The brunt of the charge was that the communists were colluding with the bourgeois parties and even the widely despised nationalists of the BNF. Letters appeared from indignant readers blaming the leadership of the Party of Communists for betraying the interests of socialism. First secretary of the PCB S. Kalyakin was personally cursed and damned for his signature under a declaration in defense of democracy. It seems he dared to sign the document together with a BNF leader, Khodyko. But it turns out that this document was written by Kalyakin. It was an appeal to democratic forces on the basis of the position of

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the Party of Communists. So to be exact, the rest signed onto a declaration prepared by the communists. This is no minor fact, but a detail of great importance for the struggle in the future. In the autumn of 1996 the Party of Communists of Belarus, the largest one in the republic, strengthened its position in society and turned into the leading political force. It stood, with the full attention of all of Belarus upon it, both for *real* democracy and at the same time against the "reforms," privatization, and the spread of bourgeois social relations.

The campaign lasted for weeks, and the Lukashenko newspapers were daily full of angry accusations against party secretaries Kalyakin and Novikov. The communist press had been seized during the "democratic" rule of the BNF, and, despite the growing role of the party, virtually its sole source of funds remained its impoverished members, funds barely sufficient to maintain its weekly, *Tovarishch.* The party was hard pressed to make its position known. This position was that the struggle for preserving representative institutions and democracy depended on the balance of social forces. The question was whether the formal election system would turn into the means of struggle for socialism leading to the real sovereignty of the people, or would it become an ordinary management tool of control by capital, as in the West? Influenced by the views of the great internationalist Marxist Rosa Luxemburg, the communists argued that it was precisely to combat the nationalist and bourgeois program that democratic representative institutions must be preserved. A period of bureaucratic rule by the president would only postpone confronting the great question of capitalism as against socialism. In fact, a presidential dictatorship, they insisted, would limit the activity of the left and would strengthen capitalist forces in preparing the ground for the bourgeoisie returning to power with the institutions of formal bourgeois democracy reinstituted, but without any scope left for real participatory socialist democracy.

Lukashenko benefited above all from the revulsion against the capitalist "reformers." He himself had once been a founder of a Democratic Party in the autumn of 1991. His supporters explained that this party was intended to resemble the U.S. Democratic Party! But that enterprise failed. In those days parties appeared and disappeared quickly from the political stage. This experience made Lukashenko reject the idea of

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having his own party as useless. Besides, he noticed that as time passed people begin to treat the word "democrat" as a swear-word. Public opinion research conducted recently in Russia showed that 55 percent of the whole population were "against democracy"! Thus the masquerade slogan of "democracy," the cloak under which capitalism was restored, has ended by justifying its opposite.

Meanwhile social protest was weak, vague and aimless, and this was the most vivid evidence of the concept substitution that had taken place in the society. A girl wrote a desperate letter to a newspaper "against the coal pit" that killed her father. She hates the pit, but not the state criminals who made miners, once an honored and even privileged stratum in the Soviet society, into a mass of stunned, starving beggars. People who are against "democracy" are unable to understand what they struggle against. In autumn 1996 I took part in a campaign for the election of the Supreme Soviet. This was a by-election taking place in the atmosphere of agitation and aggressive propaganda for the constitutional referendum. I saw that people in Belarus had the same feelings and attitudes as in Russia. Many people quite sincerely had come to believe that the national legislature symbolized that "democracy" which appeared to be the main cause of the new hard and senseless quality of their lives.

But even such moods didn't help Lukashenko win the referendum, and his people had to falsify about one million votes. This was the number of ballot-papers added to the urns between six and ten o'clock in the evening. Supposedly a fifth part of all voters voted at that time, as opposed to the two to four percent in every other election. But there was a real victory for Lukashenko nevertheless. The great lie has become an essential part of the political processes. The amount of lies foisted upon the people's consciousness from the beginning of the famous "perestroika" has been so overwhelming that people long since stopped reacting to it. It's all now taken with the same helpless feeling as bad weather. In the days of confrontation between Lukashenko and the Supreme Soviet, after the communists had gone into opposition and an impeachment had become quite possible, it turned out that democracy in Belarus belonged to no one. The bourgeois class was still too weak to seize it and deal with it as their own property. But, on the other hand, the people didn't recognize its child in this sickly thing named

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"democracy" and turned away. That's why the communists couldn't effectively organize their supporters for the defense of a freely elected Supreme Soviet—the people kept silent.

Lukashenko's imagination is fascinated with notions of an autonomous state, "neither left nor right." In the world press there are still comments on an unguarded interview he gave a couple of years ago (he later learned to watch his words) to the German newspaper *Handelsblat.* He said, "The German order was being created for centuries. In Hitler's time it reached its peak. This coincides with our understanding of the presidential republic and the role of the president in it...." But this must be understood as a daydream of untrammeled bureaucratic power, not an historically informed comment. Fascism at its core is a reaction of capital to the threat of a revolutionary labor movement. There is no basis in today's social conditions in Belarus to create a fascist order; no large capital, no dispossessed petit bourgeoisie, and as shown by the failure of the BNF to gain support, no wave of ethnic nationalism. This crude remark he now regrets is just a variant on Lukashenko's vulgar vision of a state floating in air, something "between socialism and capitalism."

IV

Today Belarus is a bureaucratic state with a few elements left of masquerade democracy. Only very small scale privatization has occurred in industry, leaving public property under bureaucratic control. There is even the appearance of a form of bureaucratic property under no apparent control. The economic department of the presidential administration controls a lot of the most profitable enterprises in all branches of industry and services, duplicating the traditional Soviet economic functions of the Cabinet of Ministers. The financial and economic activities of the administration are not taxable and can't even be audited. The volume of the funds circulating inside the administration is unknown, but specialists estimate it as equal to 40-50 percent of the whole state budget. This money is at the relatively unchecked disposal of the president. For example, the constitutional referendum of the fall of 1996 wasn't financed from the state budget. Expenses exceeding 800 billion rubles (about 40 million dollars) were met by the president from uncontrolled sources. But this is not a state somehow independent of capital; this is a power not

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only co-existing with, but fusing with, private capital. And Lukashenko has recently issued a decree to begin more substantial privatization in industry.

As the presidential administration sought to swallow productive economic activity, so it sought to swallow the system of political parties. The left wing of this new presidential party system is represented by the pro-president communist party. The vigorous attempt to split the Communist Party at the time of the constitutional referendum was partially successful: about one-tenth of all members of the PCB left to form a new communist party (CPB), described by its leader V. Chikin as "the real recovered communist party, fully supporting its president A. Lukashenko." The program of the party is ephemeral and without significance. Chikin first declared that the members of his party were ready to build capitalism together with the president. Later, on second thought, the leaders of the party adopted a most revolutionary program which nevertheless didn't spoil their quite friendly relations with Lukashenko. Those who joined the new party hoped for a flood of state support, but they had made a mistake. Of course they got some material support, but it was exceedingly sparse. Still, this pygmy party without any future satisfies Lukashenko completely. He wouldn't want it to be, would not permit its becoming, a real political force. But now he owns his own personal communist party. This curious fact doesn't interfere with the anticommunist campaign conducted in the presidential mass media, a nauseating continuous paean to bourgeois values and ideas. Yet in spite of all the president's efforts, the Party of Communists of Belarus survived, and preserved its membership and its organizational unity.

Meanwhile new attempts were made to create other pro-presidential parties. The role of presidential party in the middle of the political scene was given to a bourgeois party of "liberal democrats," a twin brother to the convenient buffoon Zhirinovsky. But the president still neither needs nor has his own organization in the right wing. He continues to fight against the BNF "people's front" and the other "democrats" who pull out their supporters to fight the police under the nationalist white-red-white flag. Those public quarrels are proudly displayed on TV, increasing the popularity of the "red president." Lukashenko needs the BNF as much as Gorbachev in his time needed Yeltsin, and Yeltsin needed Zhirinovsky. That's why the

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street fights coexist with the continuing BNF propaganda in the mass media. The presidential state has no reasoned argument with the nationalism of the BNF. It has nothing to contrast with the ideology of its enemies, only the same concept of the Belarussian national state but without the BNF. Both Lukashenko and the BNF dream of a national capital which will guarantee social justice and class harmony. But there are differences which do not allow Lukashenko to unite with the BNF, apart from the popularity he gains from their street disturbances. The BNF is oriented to the West. Its leaders have now emigrated to the United States. As for Lukashenko, he is oriented to Russia, and his goal is to advance the warped statist structure of today's Belarus as a remedy for the national salvation of Russia.

V

The Belarussian experience shows quite vividly that real democracy, as the sovereignty of the people, is no gift from the heavens above. It must be born in struggle, as with the Russian Soviets in the time of the October Revolution. Its final victory will be the democratic structure of the socialist society—and that's all. And our impoverished and resourceless party in some sense has never been stronger than it is now, when it can offer no privilege or benefit to its activists.

The future of Belarus is unavoidably united with that of Russia. The Russian regime, shaken by underground shocks and tremors, seems to examine and envy the Belarussian experience. But it's not possible to turn the clock back to Gorbachev's days. Yeltsinism in Russia consolidated a Russian capitalism, the most cruel and cynical the world has ever seen, and one that no longer has any need for the intermediate personalities of the epoch, like Lukashenko. In Russia the power of giant criminal concentrations of money has felt its strength. And this new unspeakably brutal "democratic" capital will not abide a bureaucracy recovering control over it. On the other hand, the *really* democratic Russia, its people, have been receiving a forced education in elementary social concepts never successfully taught in the Soviet era—a very dangerous phenomenon for politicians like Lukashenko, Yeltsin or Gorbachev. It is a positive fact that the Communist Party of the Russian Federation has established itself as the main political

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force of the country, though the path ahead is full of the most serious dangers.

The present calm in the political life of Belarus won't last for ever, the resources accumulated in the Soviet era will be finally exhausted, the bill will come due. Endless maneuvering among different social classes is an ungrateful business and Lukashenko realizes perfectly well that high approval ratings are a transient thing. His popularity in Russia, at some distance, is perhaps already higher than in Belarus. And this makes him keep an eye on the political summit of Russia. Perhaps he dreams of cheating everybody once again by changing places and levels of responsibility. But to be cheated one must be ready to be cheated, and we have learned a lot since we were deceived by Gorbachev. And as for real history, for knowledge of how it develops, we must return to Marx. Our recent past proves that.

NOTES

1. Gorbachev helped Yeltsin, his open political enemy, to the key post of the chairman of the Supreme Soviet of Russia. He achieved this end by telling Yeltsin's rival, a communist candidate, to withdraw from the election after several indecisive ballots. It proved a brilliant platform for the Yeltsin forces.

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KEEPING THE FAITH: THE U.S. LEFT, 1968-1998

by VICTOR WALLIS

The future of the Left, in the United States as elsewhere, is bound up with a larger question: What will it take to bring socialism back onto the popular agenda? In the eyes of many, the defeats of the past generation have been so crushing as to make this question no longer worth asking. By the same token, however, capitalism has come to enjoy a level of exclusive hegemony unknown since before 1917. In its current global incarnation, it is plunging more people into misery, at a more rapid rate than at perhaps any time since the beginnings of colonial conquest. The old first world suffers from aggravated social polarization, amplified by public-service cutbacks; what used to be the second world shows similar trends, but typically in more extreme form (in the Russian case, acute scarcity, a savage level of social breakdown, and a marked decline in life expectancy); and the long-misnamed third world, including its recently touted "tiger" economies, writhes under the impact of structural adjustment. While all this might seem at first only to reinforce the sting of defeat, it also sharpens the case for a revolutionary alternative.

But how does socialism now stand as a political force? The collapse of purported socialist regimes served to reinforce an already notable worldwide deterioration in the following of Left parties. Among advanced capitalist societies, 1968 ushered in a

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brief period which constituted the Left's recent high-water mark. Certainly, in terms of explicit manifestations of radical sentiment, those times have not been recently matched. This observation, combined with the regressive nature of subsequent official policies (especially in the United States), has led numerous observers to suggest that the radicalism of the 1960s had an impact which on balance hurt the Left's long-term growth.

Those who argue along these lines generally call attention to the more spontaneous, chaotic, and self-indulgent manifestations of 60s radicalism, and suggest that such behavior made it possible for conservative ideologues, particularly in the United States, to build up a pivotal constituency for repressive policies. There can be no doubt that this is a part of what happened. Nonetheless, to fixate on it as the major legacy of that period is to lift the whole conflict out of its historical setting, thereby obscuring both how the U.S. Left of the 60s came to acquire its particular traits and how its various offshoots found the resources to withstand—and eventually to counter—the ensuing reactionary policies.

Historical Grounding of the 60s Left

The negative/stereotypical view of the 60s Left tends to downplay a number of important considerations. First, it tends to either underestimate or misrepresent the global context within which the U.S. New Left arose. Second, it leaves out of account the role of the post-1945 U.S. Red Scare in setting the parameters for subsequent Left activity. Third, it largely excludes from its conception of the Left all but the relatively privileged, predominantly white, university-based sectors. Finally, by focusing on the Right's campaign rhetoric (which took aim at the movement's more "outrageous" expressions), it obscures the strategic dimension of the ruling class's turn away from New Deal liberalism.

1. *Global setting.* The worldwide scope of the 1968 upheavals is acknowledged on all sides. What is missing, however, from the Left's more pessimistic assessments of that juncture, is a recognition of how its different components fit together. The stereotypical view of the 60s Left focuses on student radicalism, with its characteristic volatility and impatience. The more longstanding liberation struggles of the time might be noted (in this view), but not with any suggestion that their character ought to feed

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into our composite portrait of the Left. Without this latter inclusion, however, the variously constituted revolutionary movements (e.g., Vietnam, southern Africa, Latin America) are reduced to the rank of mere "causes," defined by the way core-country radicals looked at them, rather than being seen as autonomous players with their own distinctive trajectories.

If we now refocus our attention on these movements, we can observe a number of things about them that should sharpen our understanding of the bigger picture. First, they represented far more people—both in absolute terms and relative to their own national populations—than did their university-based allies in the advanced countries. Second, their demands, in comparison to those of these same allies, had a stronger material dimension; in particular, they spoke directly to the needs of the poorest people. Third, these popular and essentially anti-imperialist movements, far from being sudden eruptions, emerged on the strength of longstanding organizational buildups, spanning decades if not generations, and embracing a full range of political practices, from guerrilla warfare (as in Cuba and Vietnam) to parliamentary struggles (as in Guyana and Chile). Finally, it is only through the existence of such third-world movements that the triumphalism of empire was punctured and First-World social movements were given space—in the form of both issues and constituencies—in which to grow.

The upshot of these considerations is clear: the stereotypic "60s radicals," far from being the defining force of their generation, were just one strand of a far bigger tapestry. If this suggests their limits, however, it also points to the basis of whatever impact they had. True, they were unable to "make the revolution"; but this does not mean that they weren't part of the revolutionary process. Their integration in it refers not just to the support they gave, but also to the understanding they gained—as to the nature of society, of political work, and of their own and others' needs. All this may seem rather modest, but its importance is not limited to the immediate time and place in which it occurred. The revolutionary process is a long one, and it would be presumptuous to insist that a particular moment of it—especially in its early stages—should yield a clear-cut and definitive result.

2. *Impact of Red Scare.* In the aftermath of the Second World War, U.S. society underwent one of the most intense and sus-

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tained periods of political repression ever imposed within a constitutional framework. This fact alone deserves much more attention in discussions of the 60s Left than it has ever so far received. It suggests both the reasons for the New Left's weakness and the directions in which it would have to go in order to find its strength.

The debilitating effects of the repression have been far-reaching. The crippling of an already small Communist party was only the most obvious and, compared with the situation that existed before the war, probably the least consequential. Far more important was the general assault on socialist and progressive ideas. Unlike in Europe and elsewhere, the concept of socialism became for most people simply a bad word; class, as a social science concept, was stripped of its dynamic significance; even the word "peace" became suspect. Beyond these direct effects of the repression, however, there was a particular significance to its being imposed within the established constitutional framework. On the one hand, this endowed it with legitimacy in the eyes of those who were not its victims; which helps account for the vast conformity it induced. On the other hand, in contrast to the situation of a dictatorship that has been overthrown, there is no dramatic moment of liberation. Specifically, congressional committees or individual representatives might come and go, but the FBI, the conformist commercial media, and their partners in the educational system are still there.

This was a chilling setting within which to contemplate any form of progressive activity. We should keep it in mind before too easily passing judgment on what "should have" been accomplished, even over a period of years, by those who had to confront it. In terms of the usual mechanisms for political work, they were starting largely from scratch. Later they might rediscover resources from the past, but at the outset, they had to contend not only with a lack of organization but also with an overwhelmingly hostile surrounding culture.

In a more immediate sense, however, the effect of the political context of the time, for those trying to walk new ground, was to put a premium on qualities that would set them apart from their ideological forebears. This could well lead to an exaggerated emphasis on "home-grown" traits, often fortified by expressions of deliberate non-conformity vis-à-vis the larger community. Later observers might label the revolt "gen-

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erational" and accuse its protagonists of "amnesia"; but the generational aspect was not by choice, while the amnesia, to the extent that it was willed, served partly as an antidote to paranoia. Unfortunately it is also fostered, among many activists, a distrust of organizational rigor and a distaste even for certain minimal levels of political discipline. These traits, problematic in themselves, could eventually, under adverse conditions, turn into their opposites. Shapeless structures could fall prey to manipulation, while guilt-driven individuals, lacking a mature collective culture, could accept altogether unwarranted invasions into their personal lives.

In any case, it is not surprising that the New Left, lacking a solid tradition of its own, had to look partly outside its ranks in order to find sustenance. In so doing, it displayed, despite its shortcomings, a certain openness and generosity of spirit. This quality, seasoned with modesty in some quarters and with an irreverent sense of humor in others, was an authentic contribution to the Left's revival. But the ultimate driving force clearly came from the most oppressed sectors, not only in third world countries but also within the United States.

3. *Mass constituencies.* The harbinger of revival was the civil rights movement in the U.S. South. Its eventual expression, as massive nonviolent protest against racist laws, had a long prehistory, encompassing both personal defiance and political organizing (notably by communist activists). Out of this tradition of struggle emerged a culture of resistance which, at least for the issues closest to it, was free of the conformity that pervaded most of "white America." Large numbers of ordinary people, inured to struggle, targeted the most morally vulnerable joints of the system—the denials of legal equality and voting rights—and risked the first forays of what would become a serious challenge to the U.S. ruling class. As the movement grew, it drew in white supporters and activists from around the country—a development which consolidated certain gains but jeopardized others, eventually prompting the shift to an exclusionary membership policy on the part of black organizations. What does all this imply, however, for our overall characterization of the 60s Left?

In the first place, while it is true that both the civil rights movement and the subsequent Black Power movement included certain elements that embraced a capitalist framework

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(whether assimilationist or separatist), the overwhelming thrust of these movements, in class terms, was in a progressive direction. That is to say, while few of the constituents articulated their position in anticapitalist language, their collective organized presence constituted a threat to ruling-class hegemony. Even the modest demand to protect citizens registering to vote required an immense popular movement in order to gain official acquiescence. Further, the political logic of the struggle for equality pushed even so cautious a leader as Martin Luther King Jr. in increasingly radical directions (in terms of both his public statements and his political alliances), to the point at which he became a virtual "public enemy number one" for the FBI. From another direction, of course, it was precisely the experience of working closely with black civil rights activists that energized and inspired some of the most creative leaders of what would soon develop into the more diffuse, predominantly white-led Left and antiwar movements.

For all these reasons, it is quite misleading not to treat the progressive Black movements as integral to the 60s Left, which in any case was far from being a unified movement even apart from its racial divide. The very existence of such a divide within the movement, moreover, must itself be recognized not as an automatic given, but rather as having to be continuously reinforced by official repression. The postwar Red Scare gestapo had a particular animus for any expression of black/white unity (a longstanding nightmare for Southern elites). Black communists were the most dangerous of all, for they provided a bridge between the white Left and a popular constituency that could recognize its own discontent. The demise of the communists did not end the witch-hunt, however. Malcolm X appeared never more threatening than when he broke out of his Nation of Islam cocoon and, with his exceptional magnetism, began addressing wider audiences. His most direct successors, the Black Panthers, were marked for destruction from the outset. It is important that they be remembered, however, not only as advocates of armed self-defense, but also for their programmatic commitment to socialism and their vigorous critiques of black separatism (most notably by Fred Hampton, for whose murder the FBI's responsibility has been fully documented).

Once this whole tradition of the black Left has been acknowledged, it becomes impossible to avoid questioning the

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larger stereotype of the 60s Left as a movement of the privileged. Obviously individuals from comfortable backgrounds went into the movement, as they have from the time of Marx and Engels. There is also a long tradition of activists from such backgrounds having a proclivity for individual or small-group acts of violence, as with some of the nineteenth-century Russian populists. But the relative role of privileged individuals and, among them, the susceptibility to adventuristic or guilt-driven tactics, are themselves historically conditioned variables. In the particular U.S. setting of the 1960s, Left activism arose from a great variety of directions. To the extent that the "privileged" component exercised a disproportionate role, two factors appear to be at work. First, in the relatively loose sense in which the term privilege is used in this context, the number of young people who partook of it, growing up in the postwar United States, was inordinately large. One would have had to spread the net much wider than in any previous capitalist society to draw in people who lacked their advantages. Secondly, we again have to recall the postwar repression, which hit the labor movement and the public school system with particular force. Under these conditions, a private school or an elite university could well become—paradoxically, and with all the inherent drawbacks—a refuge for progressive ideas.

It should not be surprising, then, that young people of privilege played an important role in the white Left, especially in its early stages. But the movements grew far broader over time, particularly as the U.S. occupation of Vietnam became more costly. By the early 70s, the movement's initial antiracist and antiwar constituencies were reinforced by demands for women's liberation, for the rights of other oppressed national or ethnic communities, for an end to all forms of discrimination (including by sexual orientation, age, and disability), and for sweeping curbs on environmental degradation. The breadth of these concerns, even with all their overlapping, signaled at least an implicit majority supportive of a dissident agenda.

4. *Imperial overextension and state violence.* Just as student radicalism was only one component of a much broader movement, so also, from the other direction, the state's response to the 60s Left was just one element of a far more comprehensive imperial posture. As the earlier Red Scare had shown, the state's repressive impulse was longstanding, and operated with little

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reference to either the legality or the "propriety" of Left activities. In the late '40s, the objective was to establish a favorable climate for the then-unprecedented official commitment to worldwide U.S. intervention on behalf of capital. Publicly, Washington advertised its posture as one of support for "free peoples everywhere"; the privately voiced advice on which President Truman was acting, however, was to "scare hell out of the country."

In the decades that followed, the policy goal (defense of capital) remained constant, but the need for domestic repression fluctuated. Still, extreme measures never ceased to be a live option. They peaked around 1969 with the government's murderous assault on the Black Panthers, but this was only the culmination of a long-simmering brew of reactionary violence in which private operatives and state agencies—ranging from local police to the FBI—worked in tandem. Sometimes, as during the civil rights movement, the violent initiatives were "unofficial" and the state agencies simply looked on. Even when state agencies took a more active role, however (as in FBI efforts to stoke hostilities among Black Power organizers or in the CIA's perennial campaign against revolutionary Cuba), they continued to rely heavily on an extragovernmental—and extralegal—support network. In terms of establishing a violent political climate, finally, we should not forget the more routine (ostensibly apolitical) practices of local police officers patrolling oppressed communities; these created the climate, and often the spark, for spontaneous yet desperate acts of popular protest.

But whatever the ebb and flow of domestic strife, it was the larger imperial setting that would guide any revision of U.S. strategic priorities. The period of the Red Scare had brought the first assault on the New Deal, with a strong focus on labor legislation. There followed a roughly decade-long truce during which popular demands were held in check, in return for the limited material benefits afforded by private-sector expansion and "business unionism." The civil rights movement and ensuing urban uprisings burst through these restraints to drive a new round of progressive social legislation, but not before Washington's growing overseas role—most notably in Vietnam—had begun to arouse pressures for austerity at home. These had already reached a significant level by 1968, quite independently of the progress of student radicalism. Denunciations of the latter would eventually feed the mix, but it was the economic squeeze

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that forced a choice between social legislation (which politicians saw as a merely conjunctural requirement) and military priorities (which they equated with long-term national interests).

So long as both these budget-categories could expand simultaneously, ruling-class parties could differ over which of them deserved more attention. Once an either/or was reached, however, grassroots demands—whether against the war or for social betterment—became more and more difficult to satisfy. The antiwar position became a particular embarrassment, for even as its immediate ramifications became irrefutable, its longer-term echoes undercut official pretensions to democracy and thus threatened the whole imperial structure with which the war effort was bound up. The response from above reached lethal proportions. What had begun with the selective and surreptitious murder of certain key individuals (especially in the black community) culminated, by 1970, in the massacres of white as well as black students by National Guard units. Washington's war strategy, meanwhile, shifted toward fewer U.S. troops and more U.S. bombing. The combined effect of these changes was to reduce the numbers who would engage in antiwar actions while at the same time increasing their level of desperation.

While violent state repression thus increased (on Nixon's Republican watch), top Democratic funders, unwilling to support their own party's incremental opening to the left (1972), joined a new ruling-class consensus based on the blunt assessment—expressed in Samuel P. Huntington's 1974 report to the Trilateral Commission—that democracy had been allowed to go too far. On the Republican side, the same years saw the formation of the right-wing think tanks that were to shape the Reagan agenda. For Left constituencies of those years, therefore, the distance between organized initiatives and policy impact seemed only to be growing. It was under such conditions of ruling-class non-responsiveness—carried a step beyond pre-1968 appearances—that the Left became splintered and partially marginalized, and that a small detachment of its activists took the turn toward guerrilla tactics.

Looking back on that period, it is important to understand the various Left responses both in proportion and in context. The context was one of extreme state violence, especially in Vietnam but also, albeit in a more focused way, at home. The

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domestic face of this violence was local as well as national, vigilante as well as official, covert as well as overt. The impact was as varied as the sectors against which the violence was directed. Among these, however, apart from the few who took up arms and the many who retreated from politics, there remained a large (and itself diverse) contingent which sought to implement its political mission through channels that the 60s movements had tapped only lightly if at all. Through such channels, extending into every corner of the working class, they would build on the positive legacies of that period.

Achievements and Long-Range Impact of the 60s Left

The principal accomplishments of the 60s Left were: 1) it led what historian Tom Wells has called "perhaps the most successful antiwar movement in history"; 2) it gave wide diffusion to an anti-imperialist understanding of U.S. foreign policy, offering among other things a growing support network to defectors from the Intelligence establishment; 3) it generated an extensive network of communities of resistance (some of them clandestine), including an "underground railroad" for military deserters as well as hundreds of grassroots alternative newspapers; 4) it significantly reduced the climate of fear which had previously marginalized progressive social criticism; 5) it multiplied the dissemination of revolutionary ideas within the U.S. prison population, eventually winning legal protection for prisoners against the screening of written materials; 6) it reestablished a visible Left presence in higher education and policy research, including radical caucuses and publications in virtually every discipline; 7) it launched a number of useful periodicals which continue to come out (e.g., *In These Times, Dollars & Sense, Covert Action Quarterly*) and injected new life into a number of older ones; 8) it drew conscientious people of every ethnicity into the struggle against racism; 9) it stimulated—directly or indirectly—the articulation of progressive demands on the part of each of the distinctively oppressed sectors of society as well as on behalf of the natural environment; 10) thanks especially to the women's movement, it absorbed and transmitted the awareness that what one does can never be judged apart from how one does it; and finally, 11) it provided a schooling in activism for a significant core of people who then

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carried their skills into virtually every walk of life, including notably the labor movement.

This is a remarkable set of achievements—the more so if we consider the prodigious power-resources of the regime against which they were primarily directed. For the first time, an assemblage of popular opposition movements in the United States had earned a measure of prestige among its counterparts in other countries. The U.S. Left of the 60s thus did more than just partake of a worldwide upheaval; it was a leading player. Just as the U.S. civil rights movement influenced the African National Congress, so the U.S. antiwar and student movements influenced student activists in Western Europe—not so much because of any effort at theoretical guidance as by virtue, simply, of articulating mass disaffection from the world's militarily most powerful and most aggressive state.

But what came of all this? Why didn't the Left go on to mount an even stronger challenge to official policies? There are several reasons why this was not immediately possible. First, given the existing balance of forces, it would have required the cooperation of a sector of the ruling class that was open to progressive reform. We have already noted, however, that top Democrats were moving in the opposite direction—a development that was further solidified in 1984 with the formation of the Democratic Leadership Council. Underlying this consideration was the evolution of the U.S. global role, which required the ruling class—because of imperial over-extension—to bury its strategic disagreements and unite behind a policy of domestic austerity.

Further difficulties had to do with the evolution of the Left itself. The 60s Left emerged, as we have seen, in the wake of the massive internal repression that accompanied Washington's unprecedented claim to function as arbiter to popular struggles throughout the world. The resulting movement had a correspondingly distinct character: on the one hand, improvised; on the other, saddled with an immediate programmatic goal of daunting scale: stopping a major imperialist war. Even today, the scope of that task has not been sufficiently acknowledged. In the frenzy of an organizing process that far outpaced the necessary discussions among coalition-partners, new constituencies burst onto the scene and demanded the opportunity to press their needs—and expound their positions—without being constrained to submerge them in the interests of some larger

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mission. The notion that a broader struggle (challenging class power) might enhance rather than impede their particular agendas was, in part, another casualty of the Red Scare.

Politically, capital was all-powerful, subject only to eventual protest against its own unchecked policies. These went into high gear after 1980 (under Reagan, but with ample help from leading Democrats). They have provoked a full spectrum of grassroots reactions. Most important for the Left, however, was their impact on the organized working class. During the Vietnam war, much was made of the labor movement's support of official policy. This did not reflect the actual attitudes of most workers (as Andrew Levison showed in his 1974 book *The Working-Class Majority*), but it has nonetheless been held up—then and since—as a further reflection of the alleged political ineptitude of the 60s Left. In fact, it had much deeper roots, for the official anointment of "business unionism," as legislated in the 1947 Taft-Hartley Act, had of course been an integral component of imperial institution-building. The labor bureaucrats who emerged from this process were so wedded to capitalism in general, and to the State Department/CIA complex in matters of foreign policy, that no amount of popular pressure could conceivably have budged them.

The gradual undermining of this carefully groomed labor leadership has been a major development of the past two decades, and one in which the legacy of the 60s Left has played a central role. The half-million-strong Solidarity Day demonstration of 1981—called by the AFL-CIO to protest the first round of the "Reagan Revolution"—may have been treated by the labor leadership as a momentary indulgence of the ranks, but it was nonetheless the first such massive expression of working-class opposition since before the onset of the postwar Red Scare. Despite its size, which rivaled that of the biggest antiwar demonstrations, no one expected Reagan to listen to its message; but the participants could take heart for the immense task that lay in front of them.

Notable among the signs displayed in that march were those denouncing U.S. intervention in Central America. In a manner that would have been hard to anticipate, this issue turned out to be a touchstone for U.S. labor's political reawakening. On the one hand, this had to do with the increasing shift abroad of U.S. manufacturing operations and with the rise of

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Central American sweatshops. But on the other hand, it drew on the strength of a popular anti-imperialist response which had been honed in the struggles over Vietnam and which was sufficiently strong, by the time Nicaragua and El Salvador drew U.S. attention, to mold an opposition that could substantially limit the government's options. By the mid-1980s this opposition had filtered into enough of the labor leadership to provoke a serious split over an AFL-CIO policy statement. The AFL-CIO's most powerful foreign policy arms, the various government-funded and -directed institutes for overseas "labor development," would remain in place until the collapse of the Meany/Kirkland dynasty, but would then be finally dismantled. The AFL-CIO's new American Center for International Labor Solidarity, which replaced these institutes in 1996, has charted the first steps toward an autonomous "labor" foreign policy.

The process leading up to this change illustrates the complex way in which the role of the 60s movements has played itself out. Had the New Left simply accommodated itself, during the 60s, to the then-prevalent outlook of the AFL-CIO, its long-run impact would have been negligible. On the other hand, by acting, however "naively," on its convictions, it helped to change the political climate and thereby, over time, to sap the labor bureaucracy from within. There are numerous examples of this kind of link between 60s activism and positive present-day developments. If they are not more widely noted, it is partly because observers often allow the surface expressions of "the sixties" to obscure the substantive political experience that was being acquired.

In terms of the revitalization of the U.S. working class, the 60s movements have affected the process not just externally (by defining issues) but also internally, by providing personnel. A significant minority of 60s activists became trade unionists, and some of these—as well as others with professional backgrounds—went on to become union staffers. Some of them now hold high positions in international unions or in the AFL-CIO itself. Still others have been able to exert a progressive influence through their roles in higher education, particularly in labor studies programs. Within some unions, a critical mass of former student-activists have organized directly to challenge bureaucratic or crime-ridden leaderships. The most successful example of such efforts has been the work of Teamsters for a

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Democratic Union. Thanks to TDU, and despite the tenacity of corrupt fund-raising practices, the Teamsters now have an unprecedentedly responsive leadership, with progressives in high-level elected and staff positions. The year-long educational campaign sparked by these leaders was indispensable to the union's historic victory in the 1997 UPS strike.

The classic downside to such advances, of course, is the risk that the new officials may end up caring more about the positions they now occupy than about the larger political visions that originally motivated them. This cooptation scenario will continue to exert its attractions until the AFL-CIO's shake-up goes much deeper than it has so far. The answer to the associated risk, however, is not to shun the new positions but rather to build stronger ties to the rank and file.

Similar opportunities and dilemmas have arisen in the sphere of electoral politics. To the extent that top Democrats backed the regressive turn of the 1980s, new space was opened on their left. Constituencies previously neglected by mainstream candidates were now offered serious arguments even by politicians (like Jesse Jackson in 1984 and 1988) who had no intention of giving up their party affiliation. It became once again possible for progressives to imagine winning office as Independents, as in the case of Bernie Sanders, a student activist of the 60s who, after serving four terms as mayor of Burlington, was elected to four more terms (1991-) as Vermont's sole representative in the U.S. House. The possibility of further advances along such lines is being actively pursued by several party projects and coalition-building efforts, which have partly complementary missions and partially overlapping memberships. These include the Labor Party, the New Party, and the Green Party, as well as various umbrella organizations and statewide groupings. This is not the place to describe such efforts in any detail, but a few points about them deserve to be made. First, the larger political context has created an enormous constituency that is explicitly ready for an option other than the two capitalist parties (the Labor Party's preparatory organizing included surveys on this point, in union locals throughout the country). Second, the new formations differ from earlier Left parties not only in their fluidity but also in their orientation toward building "from the ground up" (as opposed to emphasizing token presidential candidacies). Third, having set modest

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short-run goals, the parties can show meaningful and promising gains, whether in membership-organization (the Labor Party), in winning seats in local non-partisan elections (the New Party), or in picking up significant percentages in statewide and congressional elections (the Green Party in New Mexico).

A further dimension of heightened activity is in certain kinds of grassroots organizing, involving demands that press quite directly against corporate priorities. Community movements against plant-closings or against toxic waste dumps—the latter often reflecting environmental racism—have served in many regions to raise the level of popular awareness. The work of the Labor/Community Strategy Center in Los Angeles offers a particularly striking example of such organizing. By taking a resolutely anticapitalist stance, it has broken new ground in present day Left activism. It has been able to involve a multiracial membership in a full range of local, national, and international issues, without abandoning its focus on immediately winnable goals. The Strategy Center's achievements are important to our discussion, because they reflect a thorough blend of a) Marxist analysis, b) lessons from the 60s on "process," and c) due concern for the more recent sharpening of ethnic identification. The Center's ability to combine these approaches reflects the career and the thinking of its director, Eric Mann, whose work in the 60s and early 70s spanned community, antiracist, antiwar, student, and prisoner-support organizing, and who subsequently brought this accumulated experience into the industrial workplace.

All these developments—the reawakening of the labor movement, the expansion of electoral alternatives, and the deepening of community-based struggles—carry the seeds of a popular mobilization that could grow to challenge capitalist priorities. Whether—or how soon—this happens will also depend on the movement's ability to break the increasingly severe corporate stranglehold over public information, news analysis, and the diffusion of popular culture. In this sphere too, however, important initiatives growing out of 60s activism are in place. The most direct challenges are offered by media or news-analysis projects, such as FAIR (Fairness & Accuracy in Reporting, the publisher of *Extra!*), the Institute for Alternative Journalism, the National Radio Project, and the investigative newsletter *CounterPunch.* Imaginative TV productions

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by Michael Moore stretched the limits just a bit further, showing that the normal exclusion of radical content could not be rationalized on grounds of any intrinsic unpopularity. Newer journals of opinion launched by 60s activists (*Z Magazine*, *Tikkun*) or by younger writers (*The Baffler*) also help expand the underpinnings that the developing movement will require. Interwoven with these processes is the diffusion of critical analysis of what has been left out of the history textbooks. Howard Zinn's *People's History of the United States*, which has sold over half a million copies since its original publication in 1980, has played a special role in this regard, having galvanized a largely successful campaign to remove Christopher Columbus from his official pedestal, thereby providing the opening move in a sorely needed shift of national values.

Looking Forward

The U.S. Left is not publicly visible in the 90s in the same way that it was in the 60s. This could be read as meaning that the Left had an opening in the 60s but blew it. I believe that the historical evidence shows otherwise. The opportunities of the 60s were severely constricted. A strong public presence of the Left was called forth prematurely, by an extraordinary challenge. It proved impossible to simultaneously respond to this challenge and build for the future. Since the end of that immediate crisis, capital has strengthened its grip over social policy to what might have seemed an unimaginable extent. In response to all this, however, the hurriedly constituted Left of the 1960s has slowly sunk its root into U.S. society. While its individual members have gone in different directions, with varying impacts, many of its activists have been at the core of a whole series of progressive projects which, in their totality, have established a basis for popular movement-building that was lacking when these same activists first came on the scene.

There is always a need to understand and criticize past errors. But unless we also learn to recognize and build upon our successes, no one will find inspiration in our message.

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The Color of Politics

by Aaron Brenner

Michael Goldfield, *The Color of Politics: Race and the Mainsprings of American Politics* (New York: The New Press, 1997), $19.95 paper, 404 pages.

The idea that the United States is an exceptional nation is as old as the country itself. Most variants of this concept trumpet the special uniqueness of America. Chauvinists from Hector St. John de Crevecoeur to Alexis de Tocqueville to Theodore Roosevelt to Louis Hart to Newt Gingrich have portrayed America as as an expansive and inclusive democracy, an efficient and flourishing economy, and a superior and exemplary civilization, alone in a world either corrupted by Old World aristocracy, blighted by uncivilized hordes, imperiled by totalitarian Communism, stifled by big government, or contaminated by miscegenating multiculturalism. In every case, a supposedly exclusively American trait—diversity, religiosity, local democracy, individualism, liberalism, social mobility—has set the nation apart from, and above, all others.

Of course, variants of American exceptionalism exist on the left, too. Here, America is unique not for what it is, but for what it lacks: a socialist tradition, a labor party, and/or a strong labor movement. Many of the characteristics that chauvinists celebrate as evidence of American greatness are precisely those that left critics lament, and cite as the reasons America has no socialism—the lack of a feudal past, individualism, liberalism, religiosity, the frontier. Yet the left often adds another item to its balance sheet of American

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exceptionalism: race. The argument is straightforward: the American labor and socialist movements have been crippled by the racial divisions within the American working class. It seems undeniable, yet few explanations of American exceptionalism (why there is no socialism in the United States) have made race so central to their analysis as Michael Goldfield's *The Color of Politics: Race and the Mainsprings of American Politics.*

For Goldfield, racial division has been *the* Achilles' heel of the American left, "the key to unraveling the secret of American exceptionalism." (p. 30) Indeed, race has been "much more." "Race has been the central ingredient, not merely in undermining solidarity when broad struggles have erupted, not merely in dividing workers, but also in providing an alternative white male nonclass worldview and structure of identity that have exerted their force during both stable and confrontational times. It has provided the everyday framework in which labor has been utilized, controlled, and exploited by those who have employed it. And race has been behind many of the supposed principles of American government (most notably states' rights) that are regarded as sacred by some people today." (p.30)

To make his case for the centrality of race in American political development, Goldfield reinterprets American political history as a series of crucial turning points, historical intersections at which race set the direction of politics and from which the system of racial domination was created and perpetuated (albeit in continually altered form and content). These turning points were the late seventeenth-century creation of racial slavery, the American Revolution, the Civil War and Reconstruction, the "System of 1896," and the Great Depression and the New Deal. Heightened class conflict characterized each turning point, creating real opportunity and often real progress for black and white workers. Yet, in every case, racial division determined that the ruling classes would ultimately triumph over the working classes.

Throughout his retelling of U.S. history, Goldfield places the interplay of race and class at the center of his story. In his introduction, he critiques attitudinal, psychological, and cultural explanations of race, and insists upon "the class and economic roots of racial formation and systems of racial oppression." Then, as he works through the history, he tries to expose these roots and the poisonous fruit they ultimately sprout. He does a magnificent job sketching the class context—the balance of class forces—in which each of his critical political struggles take place, setting each successive contest

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within the race and class configuration left by the previous struggle. Then he demonstrates in devastating fashion how various economic and political elites mobilized racial division in support of higher profits and their own social and political power. Finally, he shows how the outcome of each struggle—always lost by the working class, particularly the black working class—reconfigured and reinforced the systems of racial and class domination.

Because most of his own original research is on the period since the Depression, Goldfield draws on the best materialist social and political history for his arguments in the five chapters that cover the three hundred years prior to the Great Depression. In almost all cases he is well-served. For example, Edmund Morgan, Theodore Allen, and Barbara Fields have persuasvely argued that the system of racial slavery emerged out of the class conflicts between colonial Virginia tobacco planters and their predominantly white indentured servants, not from the racist minds of English settlers. Planters switched from white servants to black slaves as a means of social control of their white workers—a classic example of divide-and-conquer. By differentiating legally and socially between white and black labor, something they had rarely done before the emergence of class conflict in the 1670s (much of it interracial), the planters divided the work force, created a white identity, and used that identity to establish a "social buffer between the ruling classes and the most exploited laborers" (p. 43). As a result, within about a decade from the mid-1670s to the mid-1680s, the Virginia work force had been transformed from two-thirds white servants to two-thirds black slaves. In the process, the meanings of blackness and whiteness were created in America.

Having established the origins of race and racism, the rest of Goldfield's sweeping history focuses on the evolution of race and class, the constant and intertwined reconfigurations of white supremacy and ruling-class power. The struggles of the working classes, black and white, constitute the heart of the story, but so, too, does the political and economic power of elites. In Goldfield's story of the American Revolution, which draws mostly on the writing of Jesse Lemisch, Marcus Rediker, and Donald Robinson, working-class mobs, often interracial and composed of seamen, artisans, journeymen, and even slaves, constituted a real force pushing the emerging nation toward anticolonial rebellion. The working classes even shaped the struggle over who should rule at home once they had helped win the battle of home rule.

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Because he is so keen to stress the role of race, Goldfield stresses the role of seamen, one of the very few interracial workforces at the time, while ignoring far more influential lower-class struggles like Shays' Rebellion and the bread riots in Philadelphia in the 1780s. In any case, the planters and merchants who led the fight against the British wielded enough power and influence to win ratification of the Constitution, thereby committing the nation to racial slavery and bourgeois rule. That the American working class, black and white, was formed under these two yokes determined much of the outcome of subsequent struggles—the failure of the Civil War and Reconstruction to achieve an interracial redistribution of economic and political power, the inability of labor and Populist struggles to prevent the imposition of Jim Crow, the failure of the Congress of Industrial Organizations to build viable interracial unionism and organize the millions of black and white workers in the South, and the failure of the Civil Rights Movement to alleviate the disproportionate economic suffering of African-Americans.

In explaining the major events of American political development, Goldfield pays close attention not just to class and race, but to party. His interest is to explain the sustained power of the American ruling class in both its economic and political forms. In addition to divide-and-conquer strategies, elites mobilized the rhetoric of equality, democracy, and justice to enshrine governmental principles and structures that perpetuated racial and class division. Federalism gave localities and states the ability to violate the civil and economic rights of black workers under the guise of local democracy. The structure of the Senate, justified by the principle of the equality of states, gave disproportionate power to Southern Senators and allowed them not only to maintain their regional racist course but to commit the nation to the same path. Such principles and structures legitimized the racist practice of American political parties, most obviously in the long history of the Democratic Party in the South. They also delineated the boundaries of rhetoric and program within which national and local political debate took place, the terms black and white workers would have to use to make their political claims. Even today, as Goldfield shows, national politics is still dominated by a white racist coalition in which both parties use thinly veiled racial appeals to attract votes. Whereas the rallying cry used to be states' rights, today white politicians win elections by railing against affirmative action, welfare, and immigration. In each case, a supposedly democratic principle—equality of opportunity, merit, national/cul-

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tural integrity—is mobilized in the cause of race (and class) oppression.

With his discussion of the Civil War and Reconstruction, Goldfield introduces the organized labor movement, showing conclusively how it failed to recognize the political imperative and potential to organize black labor in the South during the decades after Emancipation. What Goldfield generously labels "obtuseness, neglect, [and] ignorance" (p. 138) toward black workers has characterized the American labor movement during its entire history. Of this there can be no doubt. But is racism to blame for labor's infirmity? This question is the key to Goldfield's argument.

In each of his turning points, he demonstrates how elites mobilized race to protect their political and economic power. He is particularly persuasive (following V. O. Key, Ira Katznelson, and others) in demonstrating the political power of the Southern ruling class and its ability to impose racist policy on a national basis. Yet why do white workers and their unions follow along every time? What explains their "obtuseness"? Why did Southern white workers ultimately abandon interracial populism for white supremacy and Jim Crow? Why did the Socialist Party only offer "benign neglect" (p. 171) toward black workers? Why did white workers accede to the CIO's retreat from racial and class militancy? These questions are particularly difficult, since, as Goldfield shows, such "neglect" often ran counter to the material interests of white workers. For example, he dismisses the notion that white workers achieve any real, long-term benefit from racism by arguing that the failure of white workers to unite with black workers in the South is largely responsible for their lower wages. Rather than gaining from racism, they have been hurt by it. So why do they do it?

Goldfield never makes working-class consciousness a central theme of his argument. He never investigates rank-and-file activity or attitudes, so his answer is never complete. But he does provide quite a bit of evidence to suggest that working-class racism is the result of weak class consciousness and a feeble labor movement. This first becomes apparent when he discusses the potential for the abolition of slavery during the democratic upheaval of the Revolution: "If abolition were to have come at the time of the Revolution, it would have had to be pressed more fully by the lower classes rather than the elites. Yet, their forces were ultimately too weak and their class demands on many other issues as well as emancipation were not well enough defined or forcefully enough presented to be a major

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factor in the outcome of important policy debates." (p. 67) In other words, because Revolution-era working classes lacked unity, consciousness, and power, they could not and would not fight for abolition.

This link between class weakness and racism becomes even more clear in Goldfield's discussion of the Congress of Industrial Organizations, particularly in his deft and devastating critique of the CIO leadership during the 1930s and 1940s. This analysis of the CIO, developed more fully elsewhere (in Goldfield's previous articles and a forthcoming book on Operation Dixie), forcefully and, in my view, correctly challenges virtually all of the historical literature on the subject, and it is the most compelling part of the book.

As he shows, the CIO, from its beginning, combined "broad class, insurgent, solidaristic perspectives" with "narrow, cautious, racially divisive, sectoral approaches." (p. 220) On the one hand, its left-led unions, including those in packinghouse, food and tobacco, farm equipment, metal mining, maritime, transport, and longshore, often employed innovative tactics and insisted on interracial organizing. These unions were hardly perfect, often vacillating on both race and class questions. Yet within the CIO wing of the labor movement, they generally exhibited the highest degree of race consciousness, often putting the particular needs of black workers—such as equal wages and job upgrades—at the forefront of their list of demands. They also demonstrated the highest degree of class consciousness, insisting on the inevitability of class conflict, the necessity of rank-and-file mobilization, the utility of union democracy, and the centrality of left-wing political activism. Within the opening created by the critical turning point of the New Deal, they represented the best hope for racial equality *and* working-class power.

On the other hand, the CIO contained unions that, if they had ever used innovative mass tactics, quickly abandoned them in favor of bureaucratic and corporatist strategies. Such unions, including those in auto, steel, rubber, garment, and textile, pursued regulated relations with employers, one-party internal union politics, and a close relationship with the Democratic Party. Accepting the help of employers and the government, these business unions came to dominate the CIO, with dire consequences for the labor movement in general and black workers in particular. As Goldfield summarizes, "it was the growing domination of this conservative thrust that was to undermine the power of the labor movement and stall the poten-

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tial for a more thorough racial transformation." (p. 220) Furthermore, the dual retreat of the labor leadership—from class and racial militancy—paved the way for the eventual decline of the labor movement and prevented the civil rights movement from becoming a more general working-class movement.

In another important and innovative analysis, Goldfield demonstrates how the mobilization of black workers during the 1930s and 1940s prepared the way for the civil rights struggles in the 1950s. This mobilization highlighted the failures of the labor leadership to consolidate and extend the gains of the 1930s and 1940s. The CIO's weak and racist attempt to organize the South in Operation Dixie, its support for the Democratic Party still burdened by Southern racist leadership, and its pursuit of labor peace all weakened the ability of black workers to expand their civil rights struggles, reduced the possibility for interracial political mobilization, and legitimated the white backlash that characterizes present-day American politics.

Goldfield's analysis of the CIO seems to suggest that its poor record on race is the result of its weak class consciousness. The unions with the best racial practices were the most militant, mobilized, and class conscious. The least militant and class conscious had the worst racial practices. This appears to contradict Goldfield's own argument that racism is to blame for the weakness of the American labor movement. Instead, his evidence suggests that the weakness of the American labor movement is to blame for its racism.

He makes the same argument when explaining white workers' support for massive resistance to the civil rights movement in the South in the late 1950s and for opposition to affirmative action today. Of massive resistance, he says, "Without a class-based alternative, lower-income whites were inclined and aggressively encouraged to blame African-Americans for their problems." (p. 306) On the opposition to affirmative action:

> The reason that so many whites can be mobilized against affirmative action is simple. Although cases of so-called reverse discrimination are few, the decline in living standards and the contraction of job prospects for a large percentage of the population are quite real. As has been true historically in this country, the political alternatives are stark. One can attempt to understand the broad economic trends and organize for more justice, greater union organization, and a larger safety net. This puts people in sharp conflict with the most powerful forces in the country. Or one can pick a scapegoat. When collective organization is weak, the latter alternative is the one usually tried. (p. 344)

In a way, this is simple logic. Consider the different levels of class consciousness. Workers who insist upon mobilizing on a craft basis are said to possess a limited class consciousness in comparison

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to those who recognize the necessity of mobilizing on an industrial basis. The same goes for race. A truly class-conscious working class would not be racist.

Of course, Goldfield would be right to argue that the system of racial domination gave workers the racist option in the first place, that class and race were mutually reinforcing: class weakness leading to racism leading to continued class weakness. But he does so rarely, for this is not the same as saying that racism is to blame for America's exceptionally weak left and labor movement—a pivotal argument of the book. As a result, on this point, his argument overtakes his evidence.

Goldfield's unwillingess to draw the conclusions from his evidence derives in part from his failure to investigate working-class consciousness. Workers' material interests are not "long-term" (socialism) and "short-term" (racism). Nor can their interests be removed from the political, economic, social, cultural, and intellectual context in which workers find themselves. Within the American context, racism has been, and continues to be, in the material interest of white workers. It makes sense, not just in the psychological sense of finding a scapegoat to justify their own irrational behavior (the liberal explanation of racism), but in achieving their social and economic goals (whether rational or irrational). In this way, racism, like individualism, sexism, business unionism, or interracial solidarity, is a strategy. Its appeal and efficacy depend upon the ends desired and the obstacles to overcome. These ends and obstacles are shaped by many historical developments, but in America, the intense competition of the capitalist labor market, the struggle for political resources and power, and the fight for social and cultural preservation and dominance, have all made racism a viable and proven strategy. Goldfield is absolutely correct that the lack of a class-based alternative makes racism all the more attractive as a means for (white) group success, an argument he could develop much more. But it is precisely this lack that theories of American exceptionalism attempt to explain. Thus, we are back where we started.

In his insistence on seeing racism as the primary cause of American working-class weakness, Goldfield risks making the same mistake he warns against in his introduction: becoming ahistorical. Rather than something that must be explained (and might well be explained by working-class weakness), race becomes the deus ex machina that floats through history explaining the successive failures of working-class struggle. He is forced into this largely because he

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dismisses all the other explanations for American exceptionalism offered by the left since Marx. While some may be worthy of dismissal, others are not: the historic strength of American capital, the social and political force of agrarians, the power of the American state, and the successive waves of immigration, to name just four. While these historical developments must themselves be accounted for, they help explain the weakness of the American left and how race and racism—along with individualism, sexism, craft unionism, and other divisive strategies—made such an important contribution to that weakness.

In the end, if Goldfield does not explain just what makes the United States exceptional, he does demonstrate that race is an important part of the answer. He convincingly illustrates the centrality of race to American political development. His argument is particularly strong in explaining how "the system of racial domination has been central to the economic interests of an important segment of the U.S. ruling class." (p. 350) Indeed, the strength of his book is its detailed explication of how elites have created, perpetuated, and manipulated racial division as part of a strategy, conscious and unconscious, for class rule. Goldfield is absolutely right, therefore, to expose the racist hypocrisy of so much of American political rhetoric and practice, and to argue for the importance of racial egalitarianism in any struggle for a just society.

General, your tank is a mighty machine.
It Shatters the forest and crushes a hundred men.
But it has one defect:
It needs a driver.

—Bertolt Brecht

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The Politics of Class War from Above

by Fred Block

Frances Fox Piven and Richard A. Cloward, *The Breaking of the American Social Compact* (New York: New Press, 1998), $17.95 paper, 480 pages.

In *Regulating the Poor, Poor People's Movements, The New Class War,* and other writings, Frances Fox Piven and Richard Cloward have developed a sophisticated and distinctive analysis of politics and social movements in the Untied States. At the core of their work lies an insistence that politics matters—provided that politics is defined to include both the electoral system and extraparliamentary protests. In their view, the structures and social institutions of advanced capitalist societies are not a simple consequence of economic forces. On the contrary, popular struggles can win significant social reforms that make a real difference in the lived experience of ordinary people—even when the reforms leave the basic structures of class domination in place.

Their new book, *The Breaking of the American Social Compact,* is a skillful compilation of both new and previously published essays. The main line of argument is a continued examination of "the new class war"—the ensemble of regressive social and economic policies that have simultaneously increased economic inequality and the exposure of poor and working people to the harsh discipline of the market. But while the book illuminates recent developments such as the 1996 welfare legislation that abolished the longstanding entitlement of poor children to government support, their main concern

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is to place the present in historical perspective. They want to explain both the making and the unmaking of this social compact.

Piven and Cloward see the social reforms of both the 1930s and the 1960s as resulting from the coincidence of electoral instability and mass insurgencies. They take it as a given that normal politics in the United States is structured to exclude the poor from any real political influence. However, the poor can sometimes exercise power by engaging in disruptive protest activities that make it impossible for political and business elites to purse business as usual. At certain times, disruptions might be met with swift and brutal repression that makes protest activity too costly even for those with little to lose. However, when such disruptive activity occurs during periods of electoral instability, elites might be wary of purely repressive response. In the 1930s, disruptive protests by industrial workers, the unemployed, and others coincided with a period of electoral instability. The result was a transformation of U.S. politics when Franklin D. Roosevelt and the Democrats seized the electoral advantage that came from making major concessions to working people and the poor. As a consequence, the New Deal Democratic coalition dominated U.S. politics through the end of the 1960s.

Moreover, a similar dynamic occurred when the same coalition was starting to become unglued in the 1960s. As the presidential prospects of the Democratic Party were increasingly dependent on the votes of African Americans in the North, the party's leaders could not afford a purely repressive response to the intensification of disruptive protests by the urban poor. The consequence was a second wave of social reforms that included the civil rights laws, the war on poverty, and Medicare. But unlike the New Deal reforms, these policies did not succeed—over the long term—in solidifying electoral support for the Democrats. On the contrary, Southern whites shifted their allegiance to the Republican Party, helping to make it the dominant Presidential party for the next generation.

In the current volume, Piven and Cloward reprint several of their essays from the 1960s that express their unambivalent support for disruptive protests by the poor. In one particularly prophetic essay, "The Case Against Urban Desegregation" that was first published in 1966, they argued that liberal efforts to solve the problems of urban ghettos through housing and school integration were doomed to futility because of the strength of white racism. They favored instead a more separatist strategy that would employ disruptive strategies to fight for resources to improve housing and educa-

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tion in impoverished urban minority communities. They linked this support for black power with the history of ethnic groups in the United States: "if any lesson is to be drawn form the experience of other minorities in America, it is that the strength to resist majority prejudices, to advance in spite of them and ultimately to overcome them must be found within a countervailing ethnic community." (p. 128)

Piven and Cloward recognize that concessions that are won through the disruptive tactics of the poor are vulnerable to withdrawal when the poor have been demobilized. This is the central story that they have told about the core welfare program—AFDC. The rolls were enormously expanded in the 1960s as a response to disruption, but once order was restored, the unpleasant task of restricting assistance began. The combination of administrative tightening, reversing earlier court rulings, refusing to adjust AFDC payment, to inflation, and finally the 1996 legislation have now turned the welfare clock back to the 1920s.

But not all concessions are so readily reversed; some become part of the very fabric of politics. Hence, despite periodic attacks from the right, programs such as Social Security and Medicare have been so broadly popular with the electorate that—at least up to now—they have survived and have been expanded. Yet Piven and Cloward also want to understand why social reforms in the Untied States have been so much less durable than in Western Europe. Western Europeans also hear much of the same rhetoric about the need to expand the sphere of the market and remove the deadening hand of state regulation, and yet efforts to dismantle welfare state programs have achieved only very modest successes in most of Western Europe. Unionization rates remain substantially higher than in the United States, and programs providing assistance for the unemployed and for poor families are far more generous than in the United States. And, of course, access to health care continues to be provided to all citizens.

Piven and Cloward explain this as a consequence of the continuing strength of labor parities in the Western European polities. Even when relegated to the political minority for years at a time—as in Germany—labor parties have enough political clout to forestall frontal assaults on key social programs and on the institutional arrangements that protect labor unions. In fact, Piven and Cloward see the successful resistance to neoliberal policies in countries like Germany as proof that the rhetoric of globalization is purely ideological. Since workers in Germany are paid more than workers in the

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United States and have more generous vacation and social benefits, why should we believe that competition with low wage foreign workers makes it necessary for workers in the United States to tighten their belts even further?

This question is central to an essay first written in 1995 in which Piven and Cloward analyze the decline of "electoral economism" in the United States, by which they mean the apparent disappearance of politics in which people pressure the state to gain more resources. Instead, there is budget balancing and scapegoating groups such as welfare mothers and criminals. But Piven and Cloward reject the conventional view that this shift can be accounted for by globalization. Again, they argue that if globalization arguments were describing an objective reality, European living standards would be under even more intense attack.

While their skepticism about the ideological use of globalization arguments is clearly justified, they understand the degree to which the decline of electoral economism is itself a global phenomenon. In France, for example, the Socialist Party won a surprise electoral victory in 1997 as a consequence of public dissatisfaction with double-digit unemployment levels. Yet the new government has been unable to reduce unemployment and is facing increasingly militant protests by the unemployed and their supporters. If domestic politics were the only consideration, the French government would be taking strong action to lower unemployment, but it doesn't because of international constraints that have to do with both the politics of the European Monetary Union and the pressures of global financial markets. Similarly in South Korea, the various campaign promises of the newly elected reform government are completely irrelevant; the government has no choice but to carry out the austerity policies dictated by the International Monetary Fund.

But there is a fundamental truth in Piven and Cloward's approach to the globalization debate. It is not a question of some objective economic law that requires all capitalist democracies to force down real wages and cut social benefits. We know, on the contrary, that if such pressures were to triumph too broadly, the result would be global depression resulting from the mismatch between global productive capacity and effective demand. The issue of globalization revolves instead around the complex governance rules that have evolved to manage and contain the contradictions of the global economy. It is these governance rules that lay behind the death of electoral economism; in the current period, governments

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that attempt to resist the tide by providing new benefits and protections to their citizens will be punished severely.

Moreover, the relationship between the United States and these global governance rules is unique. One the one side, it is the military and economic power of the United States that has built and maintained the current governance structure for the world economy. The IMF continues to take its marching orders from the U.S. Treasury, and the governance rules have followed the rightward trajectory of U.S. domestic politics. The global "rules of the game" today are far more antagonistic to social democratic polices than those in place thirty years ago. But this role as global hegemon means that U.S. domestic political options are far less constrained than those of other nations. For example, the U.S. cheerfully ran federal budget deficits of $200 billion a year in the Reagan years, and there was nothing that the rest of the world could do about it. Hence, Piven and Cloward are right to emphasize that the turn in recent years to compulsive budget balancing and welfare cutbacks is not a result of global forces—it arises entirely out of domestic politics. In fact, people like former Secretary of Labor Robert Reich have very plausibly argued that the United States would be an even more formidable competitor in global markets with a more elaborate social safety net designed to enhance the health and skill levels of the labor force.

But the intriguing point is that Piven and Cloward's insight about the sources of domestic social reform might also apply to the global system. While there is no equivalent of electoral instability at the global level, the same role might be played by increasing political and economic tensions among the major capitalist powers—the United States, Europe, and Japan. If a heightening of such tensions were to coincide with mass extraparliamentary protests in a range of different countries, there might be an opportunity for winning reforms in the governance structures of global capitalism. Even if such reforms—like the original Bretton Woods system—were designed to make global capitalism work, they could effectively reopen the path for successful reform strategies within countries by labor parties and their allies. While this scenario might seem implausible, the current crisis in Asian markets might already be producing several elements of this story. The questionable "management" of the crisis by the IMF and the U.S. Treasury has created profound doubts about the U.S. leadership in Asia and Europe, and the assault on living standards in Asia could well produce mass insurgencies in countries such as Indonesia, Thailand, and Korea.

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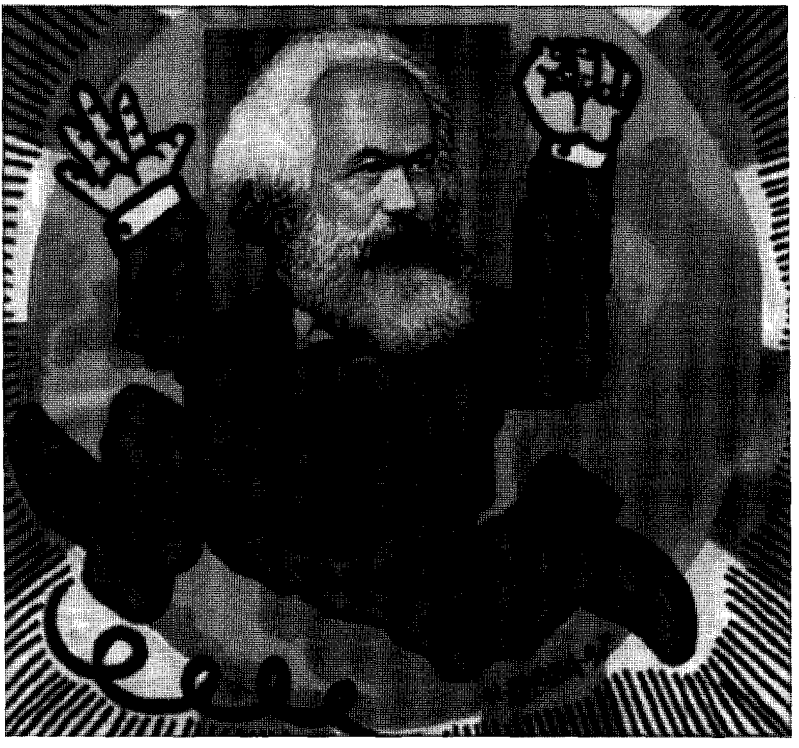

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this summer, we can look at this from the British perspective for a minute, just to get the benefit of a different angle of vision.

It has to be said, first, that, to judge by the British press, no one has been able to get a firm grip on what Blair's third way means. There's vague talk about finding a middle course between "market capitalism" (what other kind is there, by the way?) and old-style socialism (read old-style social democracy), based on a free market economy but with a dose of social justice. But for the most part, at least until this summer, there hasn't been much evidence of any significant departures from the first way, the Thatcherite way, since the Labour government committed itself at the outset not to exceed the Tories' public spending limits and showed little inclination completely to reverse even the Tories' assault on organized labor.

In July, the finance minister, Chancellor of the Exchequer Gordon Brown, issued a major three year plan. At first glance, it looked as if the government was finally doing what it was elected to do, providing substantial increases in public spending, in particular for education and health care. But on closer inspection, things looked very different.

Take the National Health Service. The NHS, often called the flag-ship of Britain's welfare state, has been celebrating its 50th anniversary this year. Whatever people may have heard about it during the futile debates about health care in the United States, it has been one of the most civilized institutions in the capitalist world. For all its faults, it has generally provided first-rate health care to everyone, regardless of income. And it has created a culture among health care providers that would be totally unrecognizable in the United States. Medical care is still treated as—and still feels like—a public service, not, as in the United States, a profitable business designed to line the pockets of HMOs, insurance companies, and doctors. The Thatcher regime did what it could to destroy the NHS but was never able to go the whole distance because this is such a deeply popular institution in the United Kingdom.

So the Labour government inherited an NHS still alive but seriously wounded. In fact, the promise to improve the health service was one of Labour's strongest cards in the last election, and Gordon Brown's budget statement looked like a fulfillment of that promise. But what was really going on?

Brown has found extra money (though, given earlier cuts, less than it appears) in part by what the government calls the "private finance initiative" (PFI). Put simply, this means that various projects, like the building of hospitals (as well as roads, prisons, and schools), instead of being funded by the public purse, will be undertaken by private enterprise, apparently leaving the government with more money to allocate to the improvement of services.

(Continued on page 14)

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